

# **Economic Intelligence Weekly Review**

16 February 1978

**Secret**

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## ECONOMIC INTELLIGENCE WEEKLY REVIEW

16 February 1978

### Current Survey

Major Recent Developments Affecting the International Economy..... 1

**USSR: Orders for Western Equipment Plummet in 1977** ..... 4

Orders fell from a record \$5.8 billion in 1976 to \$3.3 billion last year, largely because of Moscow's desire to further reduce its hard currency deficit.

**Spain: Austerity Likely To Put Suarez on Defensive** ..... 8

The politically astute Prime Minister may have to modify his economic austerity program, if his opponents convince the electorate that the cost in jobs is too high.

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### Publication of Interest

**Index of Formal Publications, Office of Economic Research, Second Half 1977 Statistics**

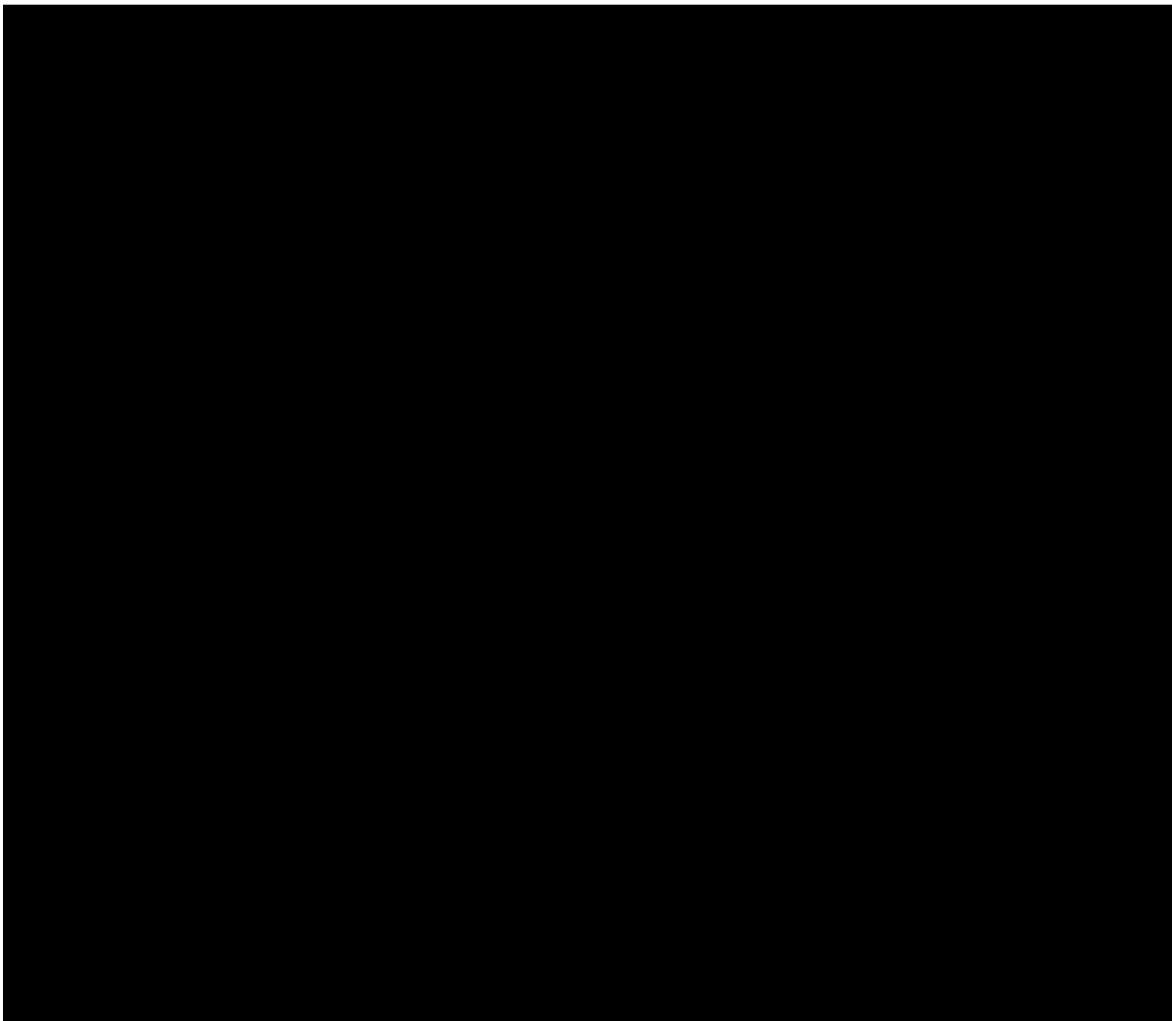
NOTE: A new graphic presentation, Big Six Composite Indicators, has been added to the *Economic Indicators Weekly Review*. The indicators are Industrial Production, Consumer Price Inflation, Unemployment Rate, and Trade Balance.

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Current Survey

MAJOR RECENT DEVELOPMENTS AFFECTING  
THE INTERNATIONAL ECONOMY



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### **Economic Indicators for the Big Six**

Industrial output in each of the Big Six foreign economies turned upward in late 1977. The estimated 6-percent increase (annual rate) in the seasonally adjusted composite index of industrial output of the Six in the fourth quarter as compared with the third quarter reversed a two-quarter downtrend; December output was an estimated 3 percent above the July low point. West Germany posted a particularly strong December gain, pushing yearend industrial production 3.5 percent above the July low and nearly 1.0 percent above the previous 1977 high, in March.

Despite the improved industrial performance, inflationary pressures in the Big Six continued to wane in late 1977. For the Six as a group, the increase in the composite rate of consumer price inflation in the fourth quarter compared with the preceding three months was estimated to be only 5.5 percent at a seasonally adjusted annual rate. In West Germany and Japan, consumer price inflation fell to a range of 2 to 3 percent at a seasonally adjusted annual rate. Although the pace of inflation in the other countries remained high—in the 8- to 11-percent range—all but Canada showed steadily declining inflation rates in second half 1977.

Japan and West Germany continued to post large trade surpluses through yearend 1977. The trade positions of the other four countries remained roughly in balance. (Unclassified)

### **Global Current Accounts**

The combined current account deficit of the OECD countries reached \$17 billion in 1977, \$9 billion more than in 1976. The total surplus of the Big Seven industrial countries declined by \$5 billion—to \$1.9 billion—with the large deterioration in the US current account partially offset by a \$7.5 billion rise in the Japanese surplus and by

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a total \$9.5 billion improvement in the French, Italian, and British current accounts. Relatively small changes occurred in the West German surplus and the Canadian deficit. Among the other OECD countries, Belgium/Luxembourg and Spain showed notable improvements (\$1.3 billion each) in their current balances and the Netherlands, Norway, Sweden, Austria, and Turkey showed marked deteriorations (roughly \$1 billion to \$2 billion each).

The changes in 1977 resulted from differing national demand management policies, differential inflation rates and changes in international competitiveness, growing oil imports by the United States, and slackening import demand by OPEC countries and many LDCs. The surplus/deficit pattern among the developed countries probably will not change significantly in 1978.

Elsewhere, the total current account deficit of the non-OPEC LDCs declined in 1977, as did the deficit of the Communist countries; the surplus of the OPEC countries increased. These same trends were exhibited in 1976. In 1975 all these aggregates moved in opposite directions. In 1978 the OPEC surplus should shrink, largely because of the freeze on oil prices and rising import prices. The non-OPEC LDCs should experience a moderate deterioration, partly because of the decline in coffee, tea, and cocoa prices. (Confidential)

### OPEC Investment

OPEC nations have been translating their concern about the dollar into investment decisions. In third quarter 1977, only 25 percent of OPEC investment went into dollar-denominated assets, compared with the 75-percent average of the two previous years.

Overall OPEC investment in the third quarter slowed noticeably, reflecting rising import bills and declining oil revenues. Investment in the United States fared much better than dollar-denominated investment elsewhere because OPEC countries are continuing to emphasize long-term asset acquisition; the US capital market offers the widest selection in this category. (Secret Noform)

### Free World Oil Supply and Demand, 1978

CIA projects Free World oil demand in 1978 at 52.5 million b/d, a 4.5-percent increase over 1977 demand. Increases in non-OPEC oil supplies from the North Sea, Mexico, and the Alaskan North Slope should satisfy almost all the growth in demand. OPEC production probably will increase very little, if at all.

(The demand projection assumes: 1978 economic growth rates of 4.5 percent in the United States, 3 percent in Western Europe, 5.7 percent in Japan, and 4.0 percent in Canada; no change in OPEC prices during the year; and an increase of 500,000 b/d in the accumulation of strategic stocks, primarily in the United States.) (Confidential)

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## Articles

## USSR:ORDERS FOR WESTERN EQUIPMENT PLUMMET IN 1977

After reaching a record \$5.8 billion in 1976, Soviet orders for Western machinery and equipment fell sharply to \$3.3 billion in 1977, the lowest level in three years. The drop stemmed largely from Moscow's desire to further curb its hard currency trade deficit. The deficit had reached a record high of \$6.4 billion in 1975 and had been brought down to \$5.5 billion in 1976 and to an estimated \$4 billion in 1977. Last year's reduction in equipment *orders* suggests a substantial decline in Soviet *imports* of Western equipment in 1978 from last year's \$6 billion level as well as a reduction in overall imports. New orders for machinery and equipment are expected to rebound this year, especially for the oil and gas industry.

## Industries Affected

More than one-half the 1977 drop in orders was accounted for by a \$1.5 billion cut in new contracts for oil and gas equipment, reflecting in part serious delays on pipeline projects. To speed up the pace, the oil, gas, and construction ministries are shifting pipelaying crews from Central Asia and the Urals-Volga region to West Siberia and the Orenburg gas pipeline. Contracts for the Orenburg line, particularly

USSR: Machinery Orders Placed With Hard Currency Countries

	Million US \$		
	1976 <sup>1</sup>	1977 <sup>2</sup>	Percent Change
<b>Total</b> .....	<b>5,848</b>	<b>3,254</b>	<b>- 44</b>
By selected industrial branches:			
Chemical and petrochemical .....	1,865	1,584	- 15
Oil and natural gas .....	1,755	264	- 85
Metalworking and metallurgy .....	1,047	535	- 49
Timber and wood .....	140	65	- 54
Automotive .....	331	183	- 45
Ships and port equipment .....	98	75	- 23
Consumer goods equipment .....	133	35	- 74
Mining and construction.....	88	141	60

<sup>1</sup> Revised.

<sup>2</sup> Preliminary.

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for compressor stations, swelled the 1976 order list by nearly \$1 billion; no comparable contracts were signed in 1977.

Contracts for Western metalworking and metallurgical equipment fell from \$1 billion in 1976 to \$500 million in 1977. More than one-half the 1977 total was made up of yearend orders for West German direct reduction and pelletizing equipment for the Kursk steel combine. These purchases are designed to cope with the increasing use of low-grade iron ores, a problem that has preempted the bulk of recent investment in the ferrous metals industry. Too little investment has gone for improvement of facilities that turn out finished steel products with advanced technical characteristics.

Orders for Western chemical equipment declined by roughly \$280 million. New contracts were concentrated on machinery for the manufacture of (a) petrochemicals, particularly intermediates for the production of plastics and synthetic fibers; and (b) chemical fertilizers, which are needed in tremendous quantities to implement plans for agricultural growth. Large purchases included three chemical fertilizer plants and 10 ammonia plants totaling \$380 million from Japan and two methanol plants worth \$250 million from the United Kingdom. Moscow also gave the British orders for a \$139 million materials processing plant for tires and an \$86 million polyethylene plant.

In contrast to the overall decline in orders, contracts nearly doubled for mining machinery, for example off-highway trucks and slurry equipment for use in coal-mining operations in East Siberia. Moscow has recently upped the priority of coal production and distribution.

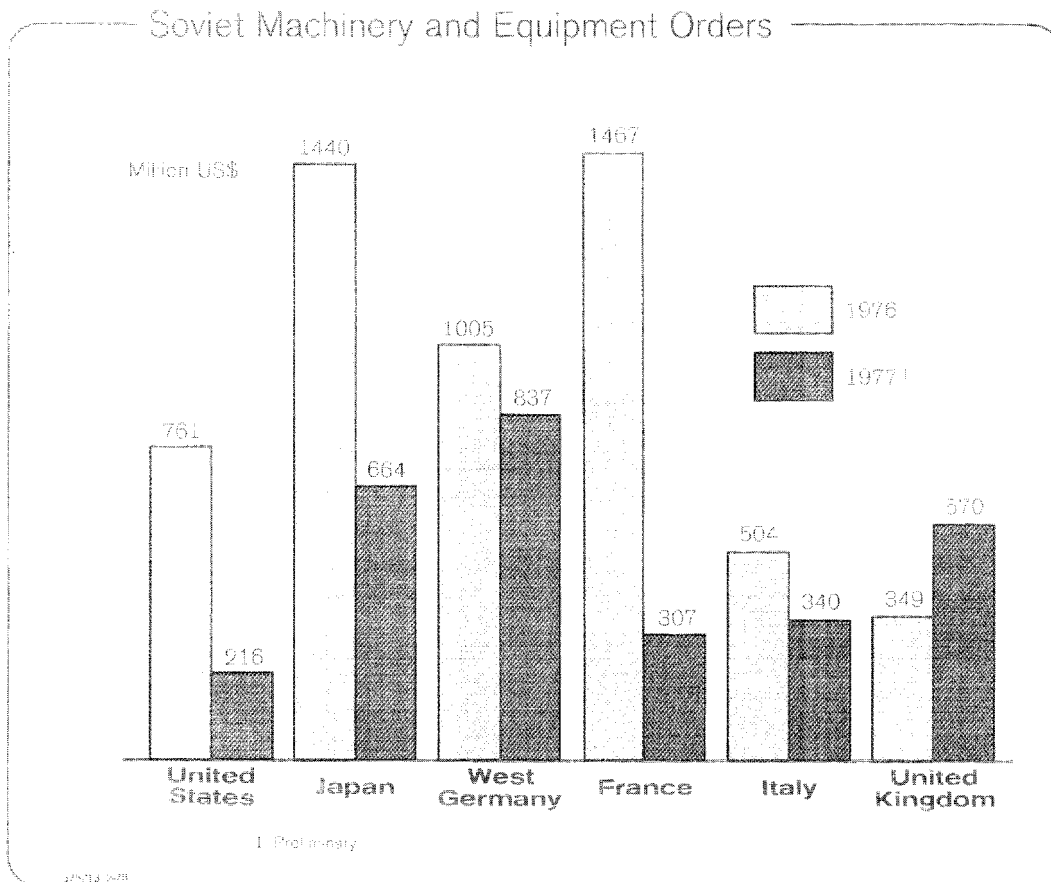
The slacking off of orders and deliveries of foreign equipment should not damage short-term Soviet industrial performance; it may well facilitate Moscow's plan in 1977 to try to catch up on the backlog of unfinished construction and uninstalled machinery. In recent years, the Soviets have been particularly slow to bring new capacity on stream, especially in the case of foreign-made equipment.

#### Orders and Credits

Except for the United Kingdom, Soviet orders in 1977 were down substantially for each major hard currency trading partner—West Germany, Japan, France, Italy, and the United States. With increasing unemployment and sluggish export growth, authorities in several of these countries were especially sensitive to the decline in Soviet contracts. Moscow took advantage of the situation by demanding more favorable terms than those permitted by the Gentlemen's Agreement—a consensus designed to prevent Western cutthroat competition on direct government and



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government-guaranteed credits. In return the USSR promised to place more orders in 1978. France, Italy, and Japan went along, thus providing the Soviets with cheaper credits for equipment they had planned to order in any case.

- Soviet orders placed in Japan in 1977 totaled only \$664 million, a little less than one-half the 1976 level. The Japanese, who had not advanced official credits to the USSR for nearly a year, signed a loan package in June 1977 worth more than \$300 million to finance the export of chemical plants and in November extended a \$200 million credit for the purchase of large-diameter steel pipe.
- Moscow cut its orders for Italian machinery last year by one-third, a reduction of \$164 million. The Soviets signed an agreement with Italy in November for a new line of credit totaling \$650 million.

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- The Soviets slashed orders for French machinery by nearly \$1.2 billion in 1977. France consented to a Soviet request to continue previously agreed upon interest rates through 1978 instead of the higher rates called for by the Gentlemen's Agreement.

### Orders in 1978

We expect Soviet orders for Western machinery, particularly oil and gas equipment, to make a comeback in 1978. Large quantities of exploration and development equipment are needed if Moscow expects even to maintain current levels of oil production over the next several years. In addition, further purchases of compressors, valves, and large-diameter pipe are required to sustain the growth in gas output.

Negotiations are already under way on large contracts. Prospective contracts include a \$138 million order for the expansion of the drill bit plant at Kuybyshev and the purchase of gas-lift equipment—which could reach \$1 billion over a five-year period—for the giant Samotlor oilfield and the Fedorovo field in West Siberia. Moscow reportedly is shopping for offshore oil equipment to be used in the Caspian Sea, the offshore areas of Sakhalin, and eventually the Barents Sea.

Orders for the metalworking and metallurgy industries this year are expected to pick up from 1977 levels. Moscow could sign some large contracts for electric furnaces, continuous casting facilities, and rolling mills, all for the \$1 billion Kursk metallurgical combine; this equipment is designed to bolster the production and quality of finished steel products. In addition, the Soviets after several years of shopping may finally place an order for a \$1 billion aluminum plant to be located in Sayan-Shushensk, West Siberia.

No substantial change in aggregate Soviet orders for Western chemical equipment is expected. Emphasis will be put on petrochemical equipment; negotiations currently are under way for the construction of a petrochemical complex in Tomsk and a plant to produce intermediates for the production of synthetic rubber at Tobolsk. Since the USSR continues to press for product pay-back agreements to ensure future exports of chemical products, Western firms willing to enter into these agreements are likely to get more of Moscow's business. (Secret)

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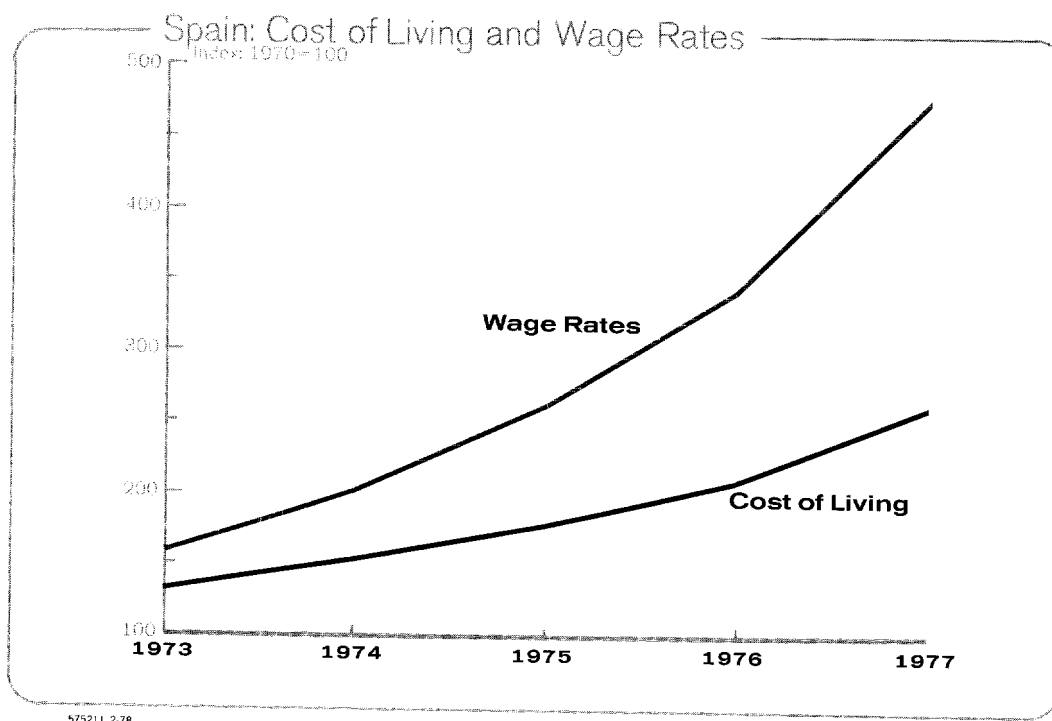
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**SPAIN: AUSTERITY LIKELY TO PUT SUAREZ ON DEFENSIVE**

The moderate government of Prime Minister Adolfo Suarez is pursuing an austere economic program—the Moncloa Pact—that will push unemployment up further and result in another year of slow GNP growth. With the focus on inflation and the current account balance rather than on jobs, the opposition, led by Socialist Felipe Gonzalez, and the feisty labor leaders have a potent issue in the months ahead. If his critics successfully exploit this issue, the politically adept Suarez can water down his austerity program.

**Economic Difficulties**

Spain's recent economic ills began in the twilight of the Franco era and were exacerbated by oil price rises and the international recession. To erase growing labor



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problems, Franco bought worker tranquility by granting generous pay hikes after 1973. The resulting wage-price spiral was fully accommodated by the monetary authorities. Further cost increases stemming largely from the 1973/74 oil price hikes severely worsened the trade and current account deficits.

Prime Minister Suarez believed that vigorous corrective action at a time of political transition would threaten the "democratization" of Spain. Following national elections last June, however, Suarez focused his efforts on holding down demand to curb rampant inflation and reduce the troublesome current account deficit. As a result, while inflation has begun to ease from its 30-percent peak, unemployment is on the rise.

The registered unemployed now number about 600,000; total unemployment may exceed 1 million out of a work force of 13.2 million. If Spain continues on the austerity path, total unemployment could reach 1.5 million or 11 percent of the work force by yearend. Weak demand and rising costs are squeezing profits; businesses seeking credit are encountering high short-term interest rates. Investment has slumped, and business failures are on the rise.

### **Moncloa Pact a Harsh Prescription**

Opposition parties are likely to make high unemployment and other side effects of the government's economic program a political issue even though current policy is in accord with the interparty Moncloa Pact signed last October. The party representatives agreed to support monetary and fiscal restraint and wage guidelines. Under the program, firms may dismiss up to 5 percent of their workers if wage settlements exceed wage guidelines, and the government can deny certain financial assistance, such as tax and export credits, to firms granting excessive pay increases. Leftist parties received some balancing concessions: labor union recognition, a system of unemployment compensation, a more progressive tax structure, a few employment-generating investments, and some housing and education programs.

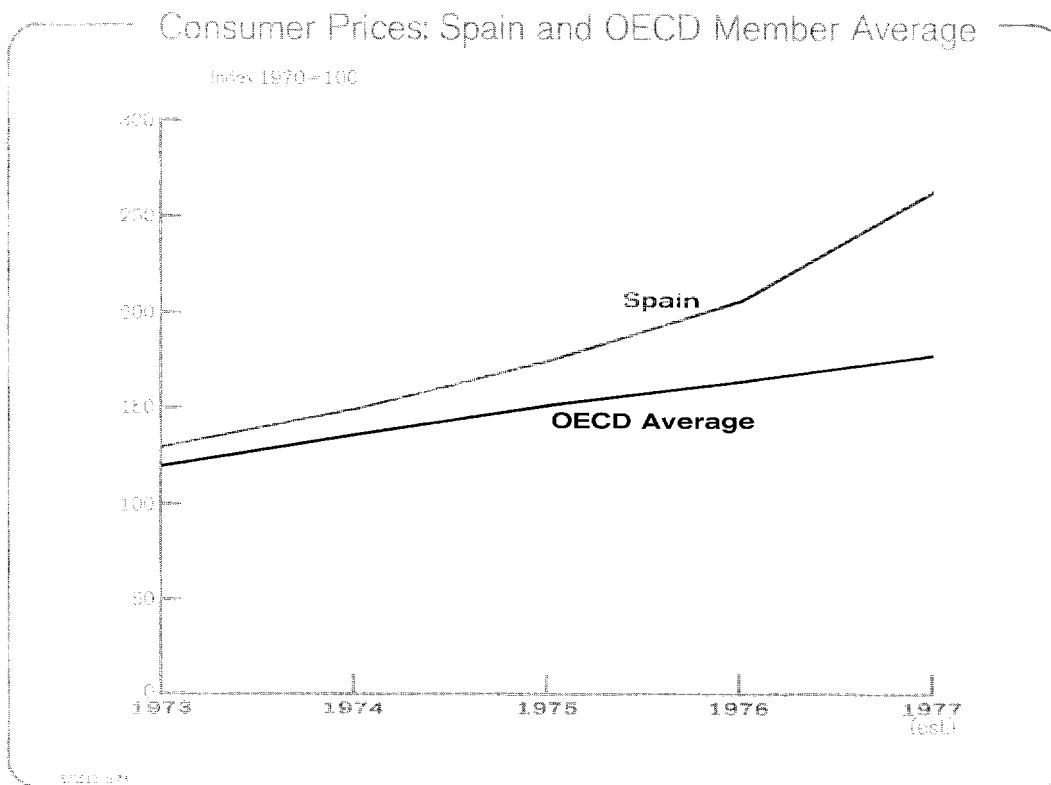
The two-year economic stabilization program aims at slowing inflation to a 10-percent annual rate and reducing the current account deficit to \$1.5 billion, at the same time making the economy more responsive to market forces. On the average, consumer prices were about 27 percent higher in 1977 than in 1976. Last year's current account deficit of \$2.8 billion was \$1.5 billion below the 1976 peak—thanks mainly to resurgent tourism—but still way short of the goal.

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Spanish economic czar Fuentes Quintana hopes to slow inflation to about 20 percent this year and cut the current account deficit to \$2.5 billion. Targets to meet

## Spain: Current Account

	Billion US \$				
	1973	1974	1975	1976	1977 <sup>1</sup>
Trade balance .....	-3.5	-7.1	-7.4	-7.3	-7.2
Exports (f.o.b.) .....	5.4	7.2	7.8	9.1	9.7
Imports (f.o.b.) .....	8.9	14.3	15.2	16.4	16.9
Net services .....	2.7	2.6	2.8	1.9	3.2
Of which:					
Net tourism .....	2.8	2.9	3.0	2.7	3.7
Net transfers .....	1.4	1.2	1.1	1.1	1.2
<b>Current account balance .....</b>	<b>0.6</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-4.3</b>	<b>-2.8</b>

<sup>1</sup> Estimated.

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the goals include a 17-percent growth in the money supply and a 22-percent limit on wage hikes.

**Another Lean Year Ahead**

The economic outlook for GNP and jobs in 1978 is poor; prospective declines in the inflation rate and the current account deficit are the bright spots. Madrid recently cut its projection of real GNP growth from 1.1 percent to a miniscule 0.5 percent; growth of 4 percent is needed to keep unemployment from rising. The GNP projection probably was revised by scaling down the original forecast of a 13-percent increase in export volume. That forecast was overoptimistic since the volume of intra-OECD trade appears headed for a rise of only 4 to 5 percent.

The stabilization program should reduce the current account deficit several hundred million dollars in 1978 even if exports rise much less than first predicted. Exports will benefit from last year's 20-percent depreciation of the peseta, although inflation is eroding the gain. Trade in agricultural products will be more favorable than in 1977, when the impact of the 1976 drought still was being felt. The upswing in tourism should continue. On the negative side, trading partners will experience no more than moderate growth in production and import demand. Spanish firms reportedly are slicing their shipbuilding and repair capacity because of the worldwide slump and strong Japanese competition. Furthermore, Spain will be hurt by measures taken to protect the steel and textile industries of the European Community.

Fiscal policy will give the Spanish economy only a small push, with the budget deficit expected to approximate 1.5 percent of GNP. Outlays for unemployment compensation will be increased, and a portion of social security costs has been shifted from payroll taxes to general revenues to aid businesses and encourage hiring. The government finances a large part of the budget deficit by borrowing abroad. With international reserves of more than \$6 billion and foreign debt still at a manageable level, Madrid will not encounter problems in world financial markets.

Given lukewarm domestic and foreign demand, business can be expected to call for the easing of credit restraints this year as bankruptcies increase. The inevitable rise in unemployment may find businessmen and labor on the same side calling for a relaxation of austerity measures.

**Political Currents**

The Socialist Party (Partido Socialista Obrero Espanol, or PSOE), led by Felipe Gonzalez and its labor affiliate, Union General de Trabajadores (UGT), are likely to

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emerge as the most important critics of the government economic program in the coming months. The PSOE, the largest opposition party, has been uneasy with the Moncloa Pact from the beginning because of its deflationary cast and its free market orientation. The Socialists were pushed into signing the agreement when the Communists and all other major parties endorsed it.

As joblessness continues to rise, the PSOE probably will charge the government with insensitivity to the worker, making unemployment a central issue in its drive to come to power by mid-1979. Gonzalez and company will avoid renouncing the goals of the Moncloa Pact to avert a loss of support on their right wing, but they can be expected to demand a slowdown in the austerity program.

The Socialists need to broaden their base of support before making a bid for control of the government. The UGT is winning labor elections in many of Spain's largest industrial plants, although the Communist-dominated Workers Commissions are outpolling the UGT 3 to 2 nationwide according to the latest government figures. The PSOE hopes to use the municipal elections—where it expects to win most of the large cities—to build up momentum that would carry the party to power in the next legislative elections. Knowing this, Prime Minister Suarez may opt to hold the legislative election first, perhaps as early as this summer following ratification of the new constitution, for which he will claim major credit.

Suarez is a master tactician and has in the past frequently co-opted leftist demands. His adaptability and the fluid nature of Spanish politics suggest that the governing Union of the Democratic Center will modify its austerity program if Socialist attacks prove effective. In this event, Suarez would call for more measures to generate employment and would extend by a couple of years his original 1979 targets for inflation and the current account deficit. A shift in targets would not elicit any serious international concern, given the moderate level of Spanish foreign debt, the high level of reserves, and last year's improvement in the current account. (Confidential)

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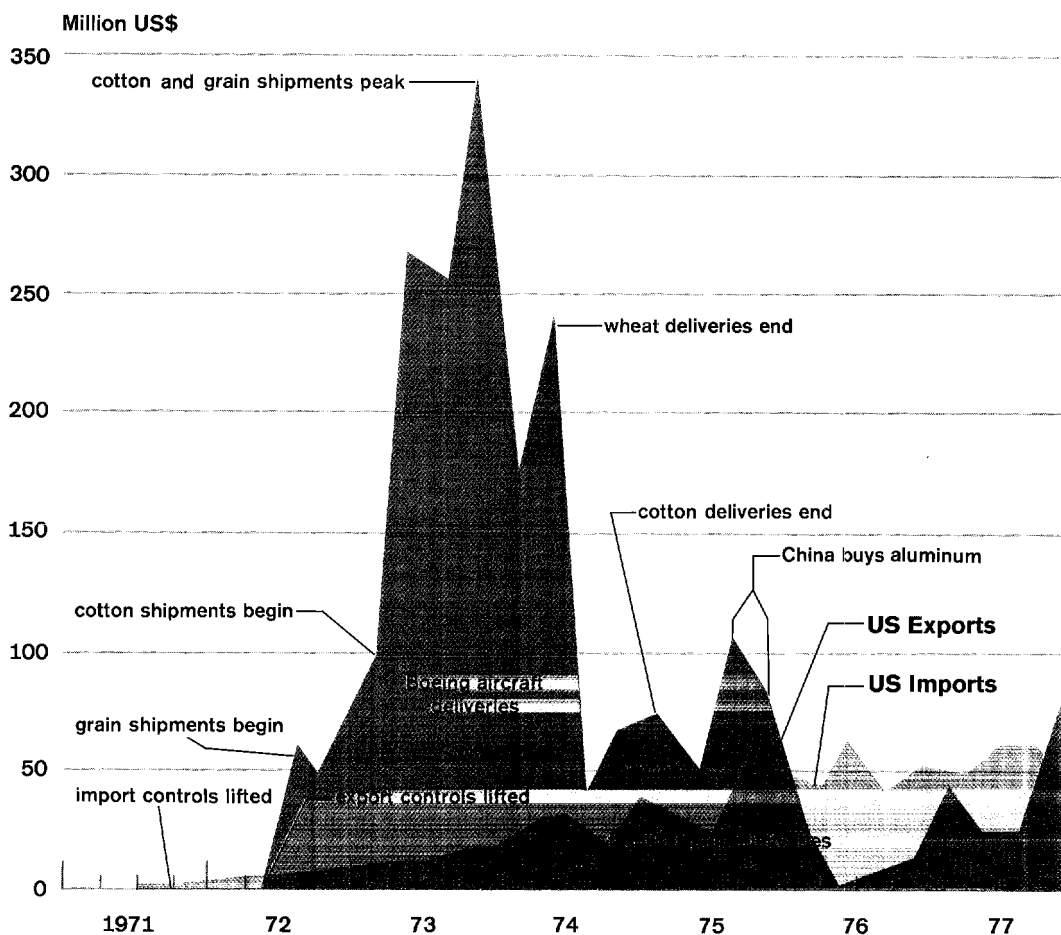
Notes

**US-China Trade: Upturn in 1977**

Renewal of US agricultural deliveries late in 1977 reversed the two-year decline in US exports to China. US exports last year rose to \$172 million from \$135 million in 1976. Peking posted another surplus although US imports from China increased by only \$2 million to \$203 million.

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## Highlights of US-China Trade<sup>1</sup>



1. Data are from US Department of Commerce and show f.a.s. exports and f.o.b. imports quarterly.

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American agricultural exports consisting of cotton, soybeans, soybean oil, and tallow totaled \$64 million last year compared with none in 1976. Of this total, \$42 million worth of soybeans and soybean oil were shipped under optional origin contracts when Brazilian supplies were inadequate. Exports of nonagricultural goods were down \$27 million from the 1976 level, with the Chinese buying less US machinery and metals, in particular aluminum. The small increase in US imports from China compared with the trend of previous years probably reflects some shortages of



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Chinese goods and perhaps some slowdown in sales to the US market by China of sensitive items such as textiles and apparel.

US-China trade is expected to show further gains in 1978 as part of an overall expansion of Chinese trade. US imports will likely rise to \$225 million while exports will reach at least \$250 million, moving the bilateral trade balance back into a US surplus. Deliveries of US machinery and equipment should more than double as a result of the spate of contracts signed last year for a wide variety of oil drilling and exploration equipment, machine tools, electronic equipment, and spare parts for equipment previously purchased. Contracts for US cotton call for delivery of more than 200,000 bales worth around \$50 million, with additional sales likely. Sales of other agricultural products such as soybeans, soybean oil, and grain will depend on the success of Chinese harvests during the year and the availability of these commodities from other suppliers. If Peking has to turn to the United States for these agricultural products, US exports would jump to a much higher level.

In general, until full diplomatic relations are established, Peking will probably continue to restrict imports from the United States when alternative suppliers are available. Peking nonetheless retains great interest in US technology, particularly in the areas of petroleum equipment and computers.

US strategic controls on sophisticated equipment will continue to hamper sales at the higher end of the technological spectrum. US firms will also benefit from sales of US technical processes embodied in complete sets of factory equipment sold by third countries. As for Chinese exports, limited US demand for many traditional Chinese goods, tariff and nontariff restrictions, and rising US concern over imports of textiles and footwear will inhibit growth of US purchases for the near future. (Confidential)

#### **Brazil: US Market Share Dips**

US exports to Brazil fell nearly 15 percent to \$2.4 billion last year, reducing the US market share to less than 20 percent compared with 23 percent in 1976. The decline resulted from reduced wheat imports, Brazilian austerity measures, which cut total imports by 3 percent, and from continued efforts to diversify trade. A sharp slowdown in industrial production and increased import substitution for capital goods cut particularly heavily into traditional US sales. US sales to Brazil probably will pick up in 1978 if, as expected, austerity is eased to aid the government in achieving its growth target of 5 to 6 percent. (Unclassified)

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### **USSR: Restriction of Oil and Gas Reporting**

The USSR is reducing considerably its press reporting of regional oil and gas production. Continued efforts to restrict these regional data will adversely affect both our ability to make energy production forecasts and the precision of our estimates.

Oil production in the older producing regions fell by 5 percent in 1977—from 6.7 million b/d to 6.4 million—more than the 3-percent drop planned. Only in the newer oil regions of the West Siberian economic region and the Komi Republic did production increase by more than the planned levels. National oil output rose to 10.9 million b/d in 1977, 100,000 b/d short of the original plan goal.

Gas production in Central Asia and the Ukraine apparently is also not holding up as well as planned, although very large increases in West Siberia allowed the national plan to be overfulfilled in 1977.

Oil and gas output in many key regions—such as the Urals-Volga area, the Ukraine, and Central Asia—is beginning to decline significantly, undercutting the additions by West Siberia. (Confidential)

### **Poland: Negotiating for Large Petrochemical Plant**

In spite of its balance-of-payments problems, Poland remains interested in buying costly Western plant and equipment, with increased emphasis on pay-back deals. [REDACTED] Poland is negotiating with C. Itoh Trading Company of Japan and a West German group headed by Kloeckner Industrie-Anlagen GmbH for the purchase of a \$600 million petrochemical complex for the production of polyester raw materials and fibers. Kloeckner reportedly has agreed to take 90 percent of the polyester produced by the complex. Poland is having no problem in getting 100-percent financing. About \$370 million is to come from a 10-year suppliers credit extended by Japan in 1976. Japan's Export-Import Bank is to provide an additional \$80 million, repayable over eight years. Itoh reportedly also has arranged a \$100 million credit through the Bank of Tokyo, and Kloeckner will get \$50 million from Deutsche Bank. (Secret Noform-Nocontract)

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**Publication of Interest \***

**Non-OPEC Less Developed Countries: External Debt Positions and Prospects.  
(ER 78-10001, January 1978, For Official Use Only)**

This research paper estimates, on a country-by-country basis, the outstanding medium- and long-term debt of 70 non-OPEC LDCs as of yearend 1977. It examines the relative positions of the high-, middle-, and low-income groups and surveys the near-term prospects for debt repayment and continued financing of LDC external deficits.

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## FOREWORD

1. The **Economic Indicators Weekly Review** provides up-to-date information on changes in the domestic and external economic activities of the major non-Communist developed countries. To the extent possible, the **Economic Indicators Weekly Review** is updated from press ticker and Embassy reporting, so that the results are made available to the reader weeks—or sometimes months—before receipt of official statistical publications. US data are provided by US government agencies.

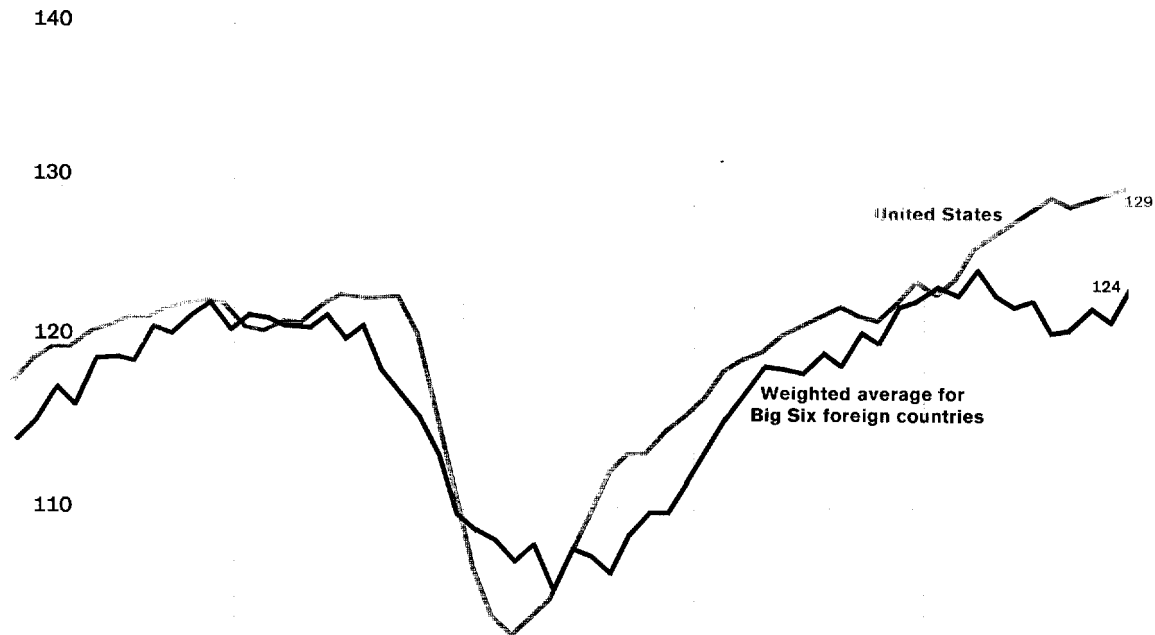
2. Source notes for the **Economic Indicators Weekly Review** are revised every few months. The most recent date of publication of source notes is 16 February 1978. Comments and queries regarding the **Economic Indicators Weekly Review** are welcomed.

# BIG SIX FOREIGN COUNTRIES<sup>1</sup> COMPOSITE INDICATORS

Industrial Production

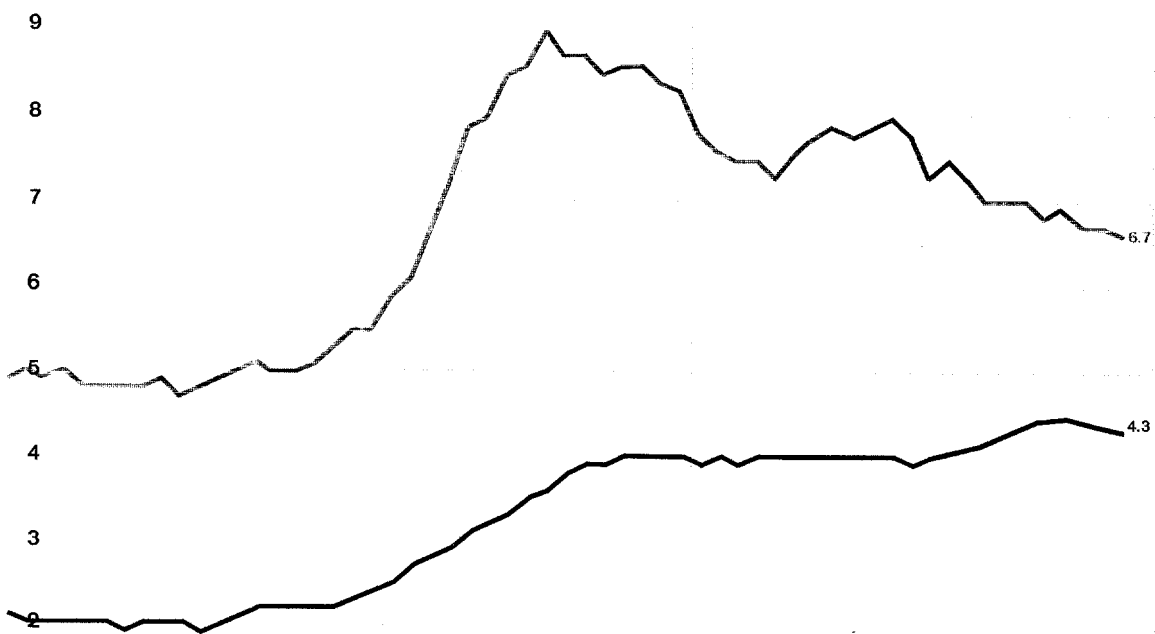
INDEX: 1970=100, seasonally adjusted

Semilogarithmic Scale



Unemployment

Percent of Labor Force

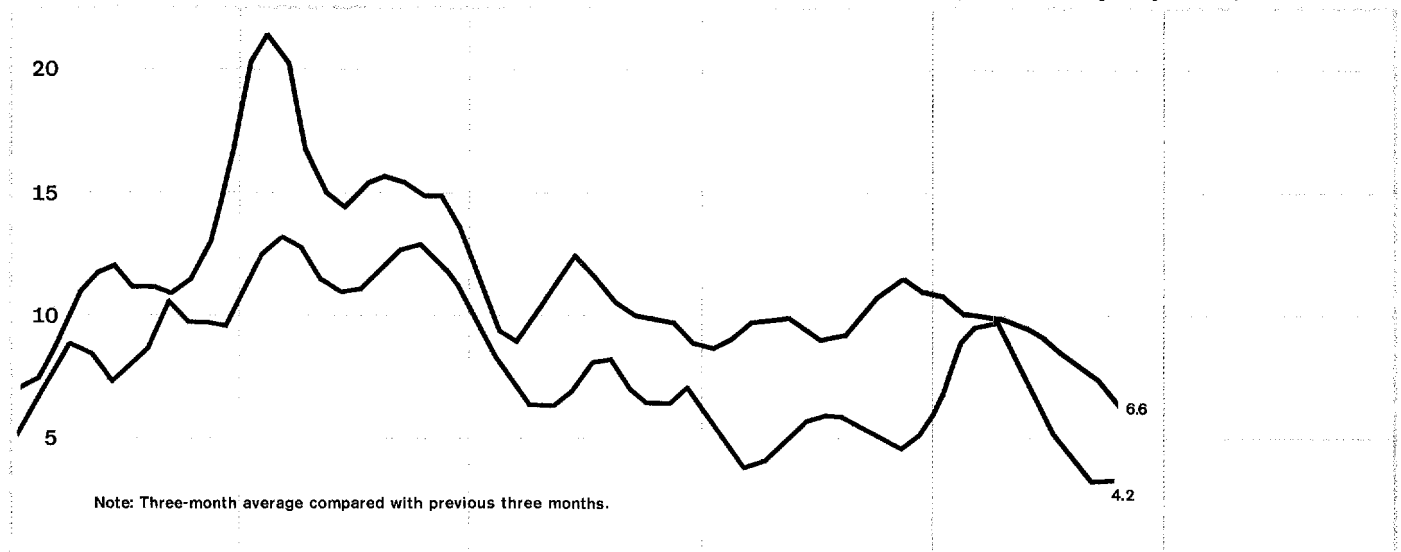


Note: Excluding data for Italy.



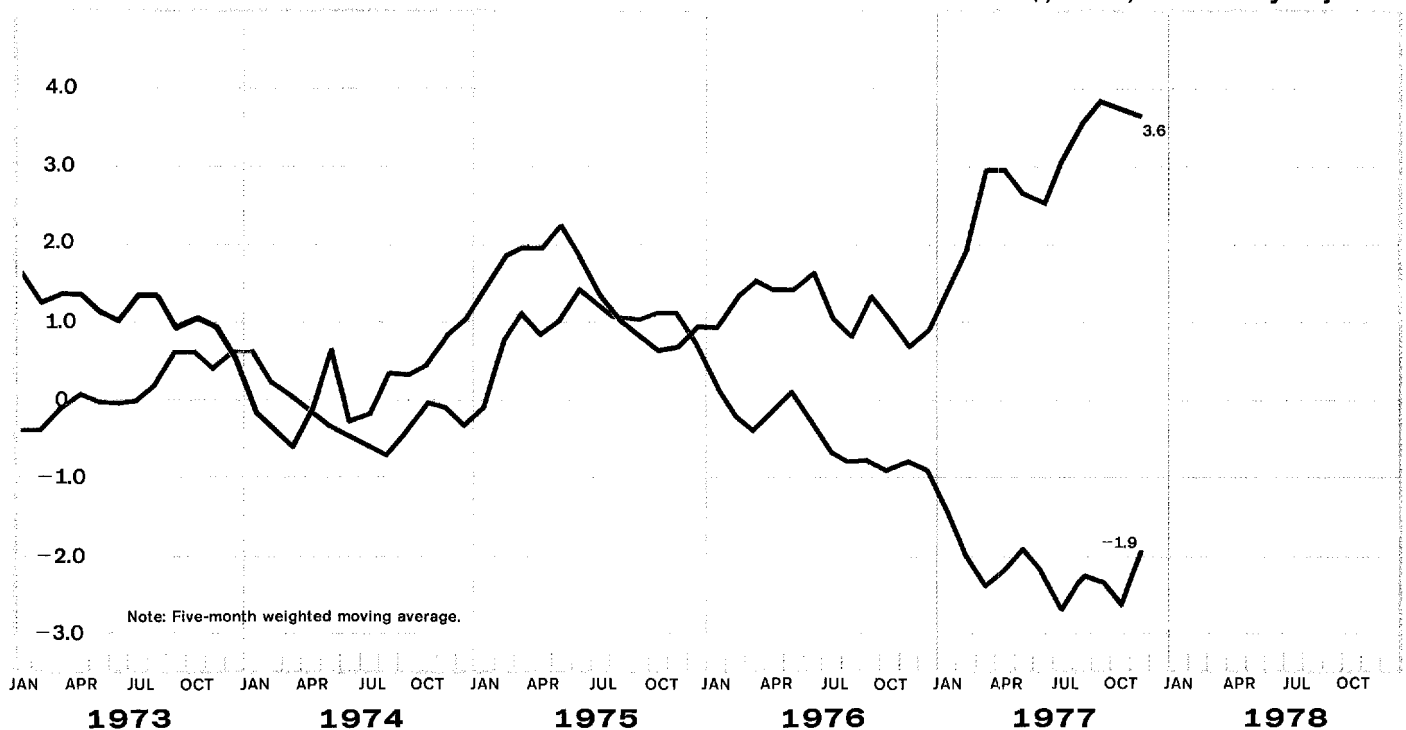
## Consumer Price Inflation

Percent, seasonally adjusted, annual rate



## Trade Balance

Billion US \$, f.o.b., seasonally adjusted



	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE		
			1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
<b>Industrial Production</b>					
Big Six	NOV 77	2.0	2.9	0.8	3.4
United States	NOV 77	0.4	3.5	5.8	1.9
<b>Consumer Prices</b>					
Big Six	NOV 77	0.3	9.5	8.4	6.6
United States	NOV 77	0.7	6.5	6.7	4.2

	LATEST MONTH	1 Year Earlier	3 Months Earlier
<b>Unemployment Rate</b>			
Big Five	NOV 77	4.3	4.0
United States	NOV 77	6.7	8.0

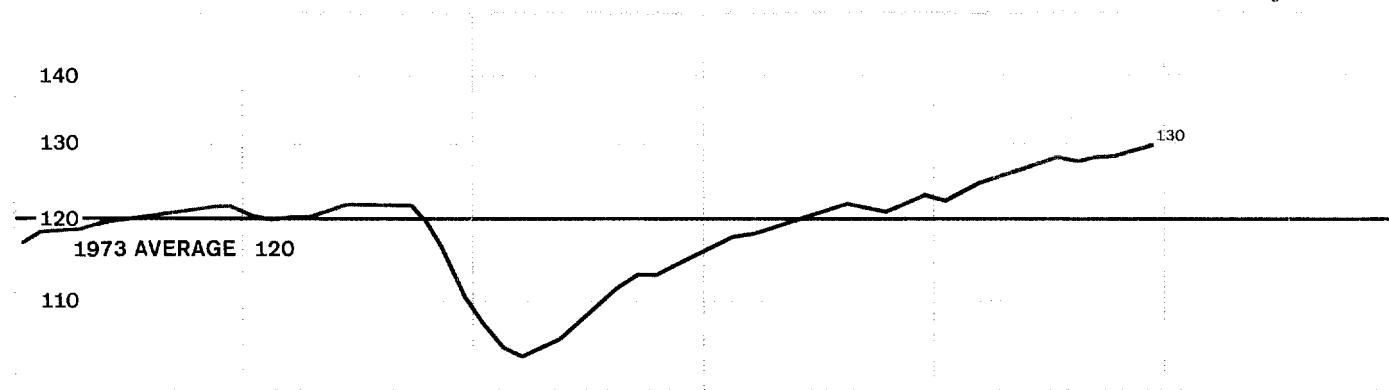
  

	LATEST MONTH	MILLION US \$	CUMULATIVE (MILLION US \$)		
			1977	1976	Change
<b>Trade Balance</b>					
Big Six	NOV 77	3,538	31,912	12,789	19,123
United States	NOV 77	-2,082	-24,479	-5,012	-19,467

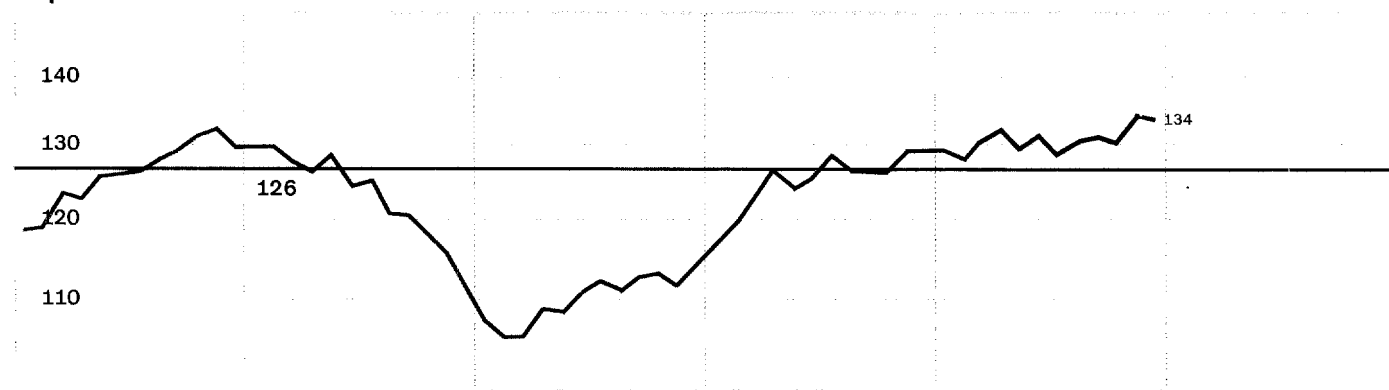
# INDUSTRIAL PRODUCTION INDEX: 1970=100, seasonally adjusted

## United States

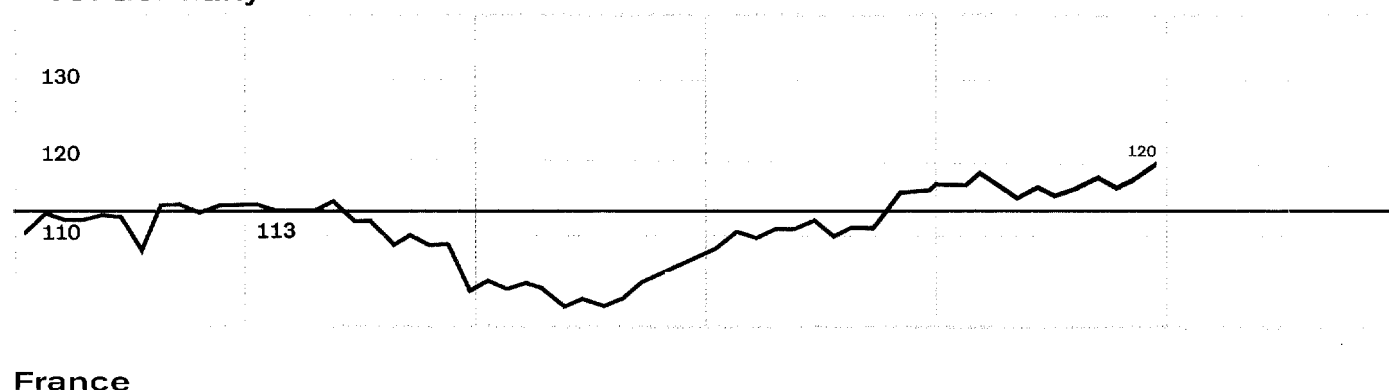
Semilogarithmic Scale



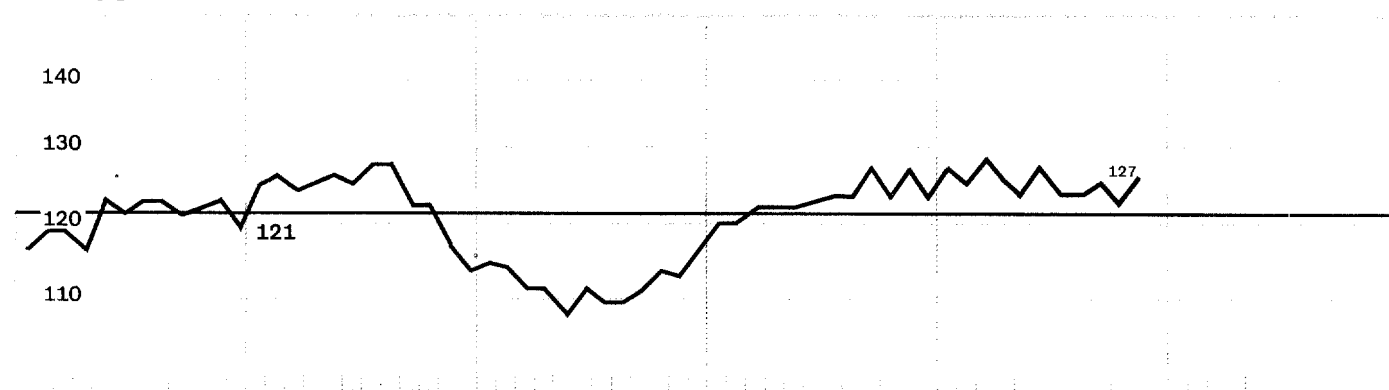
## Japan



## West Germany

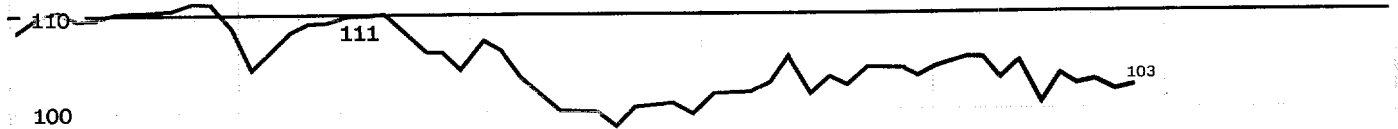


## France

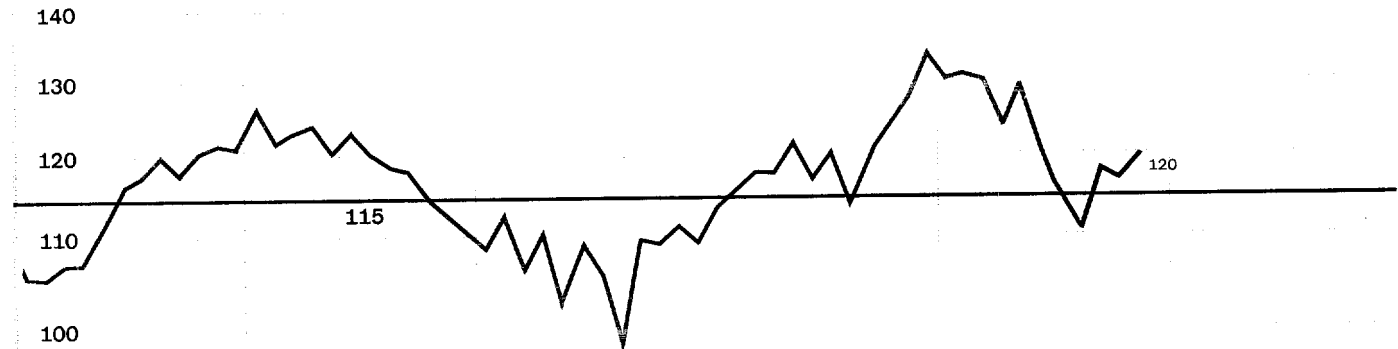


# United Kingdom

Semilogarithmic Scale



# Italy



# Canada

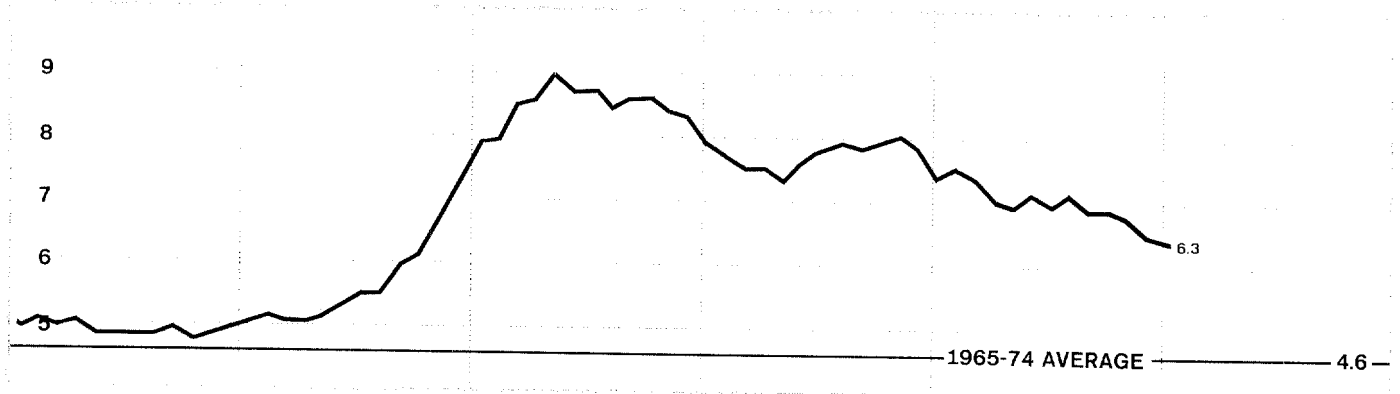


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1973 1974 1975 1976 1977 1978

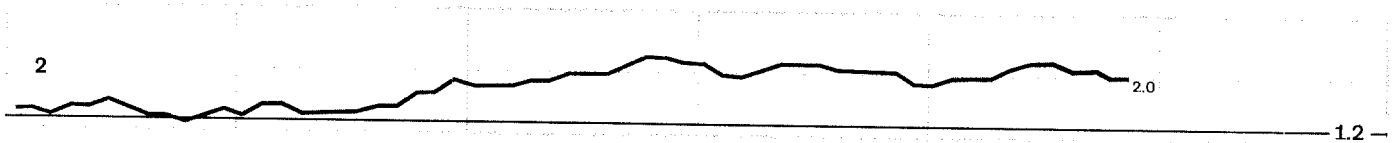
	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE				LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE		
			1970	1 Year Earlier	3 Months Earlier <sup>1</sup>				1970	1 Year Earlier	3 Months Earlier <sup>1</sup>
United States	DEC 77	0.2	3.5	4.9	2.3	United Kingdom	NOV 77	0.5	0.4	-2.0	1.4
Japan	DEC 77	-0.3	4.0	3.3	8.7	Italy	NOV 77	2.4	2.5	6.6	10.4
West Germany	DEC 77	2.6	2.5	3.4	5.9	Canada	NOV 77	0.6	3.9	4.5	0.6
France	NOV 77	3.3	3.3	-1.6	0						

## UNEMPLOYMENT PERCENT OF LABOR FORCE

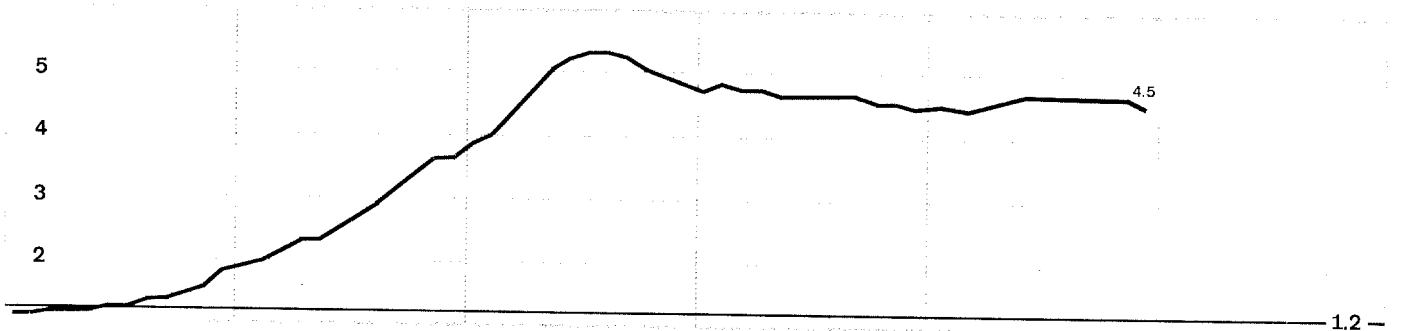
### United States



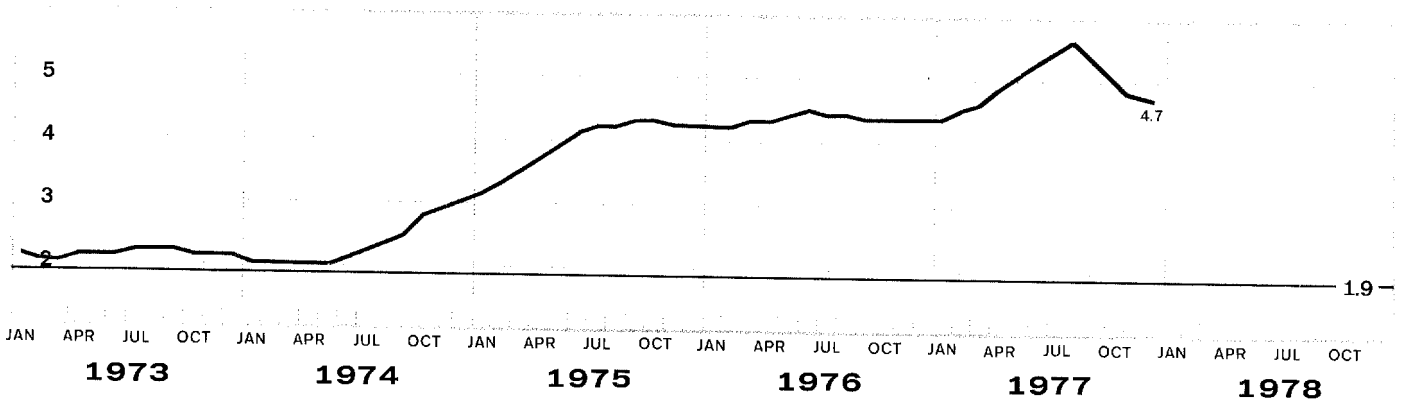
### Japan



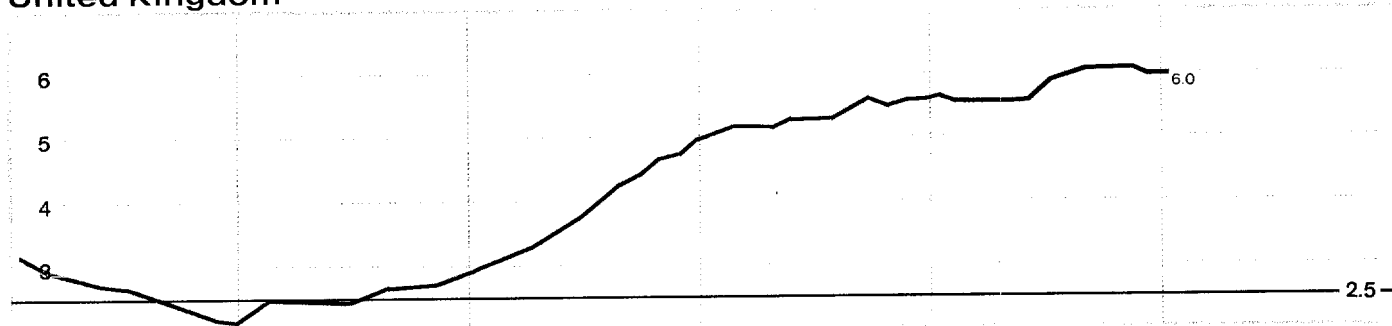
### West Germany



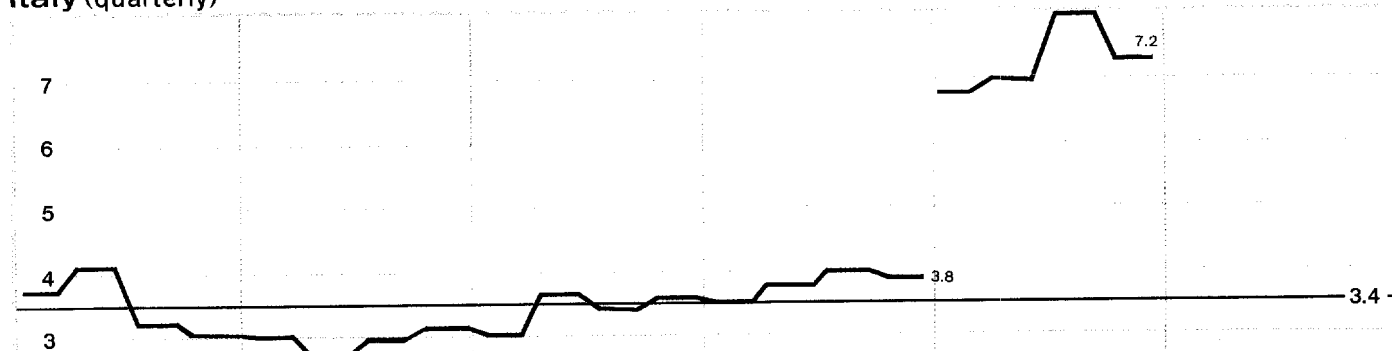
### France



## United Kingdom

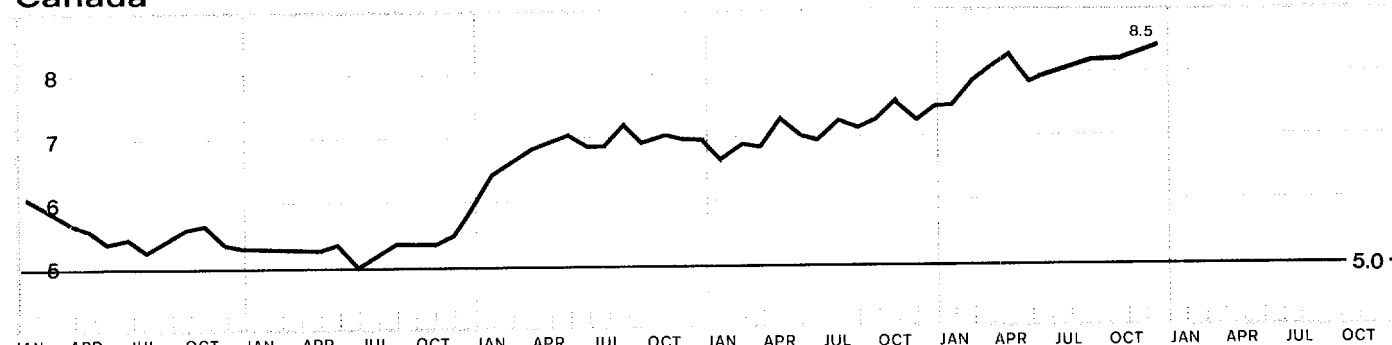


## Italy (quarterly)



A labor force survey based on new definitions of economic activity sharply raised the official estimate of Italian unemployment in first quarter 1977. Data for earlier periods thus are not comparable. Italian data are not seasonally adjusted.

## Canada



## THOUSANDS OF PERSONS UNEMPLOYED

		LATEST MONTH	1 Year Earlier	3 Months Earlier			LATEST MONTH	1 Year Earlier	3 Months Earlier
United States	JAN 78	6,226	6,958	6,872	United Kingdom	JAN 78	1,428	1,338	1,433
Japan	NOV 77	1,110	1,070	1,130	Italy	77 IV	1,598	777	1,692
West Germany	DEC 77	1,027	1,009	1,038	Canada	DEC 77	911	772	798
France	DEC 77	1,026	930	1,158					

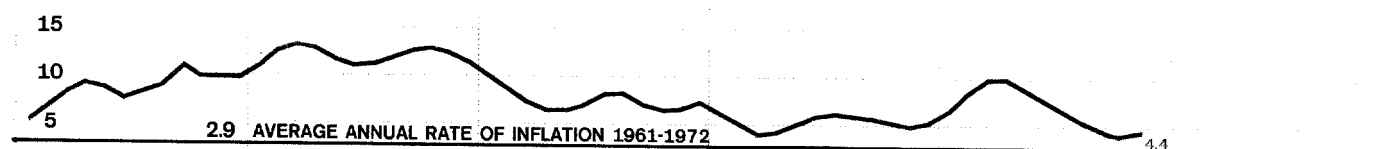
NOTE: Data are seasonally adjusted. Unemployment rates for France are estimated. The rates shown for Japan and Canada are roughly comparable to US rates. For 1975-78, the rates for France and the United Kingdom should be increased by 5 percent and 15 percent respectively, and those for West Germany decreased by 20 percent to be roughly comparable with US rates. Beginning in 1977, Italian rates should be decreased by 50 percent to be roughly comparable to US rates.

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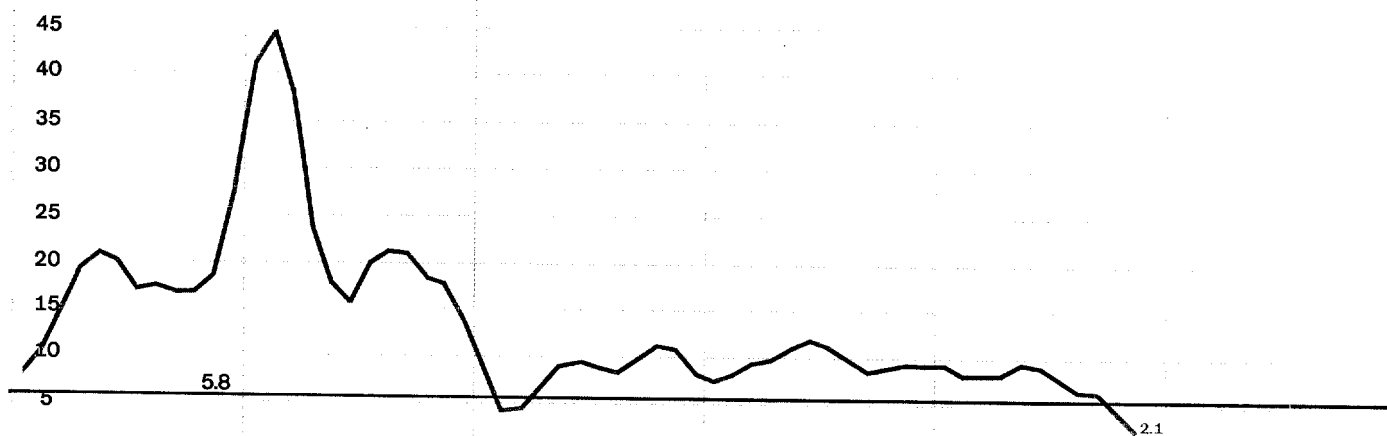
# CONSUMER PRICE INFLATION

Percent, seasonally adjusted,  
annual rate<sup>1</sup>

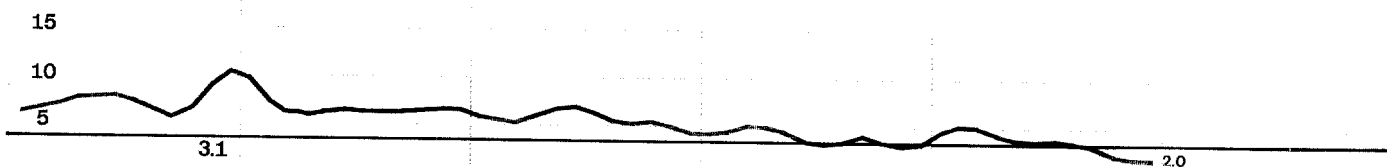
## United States



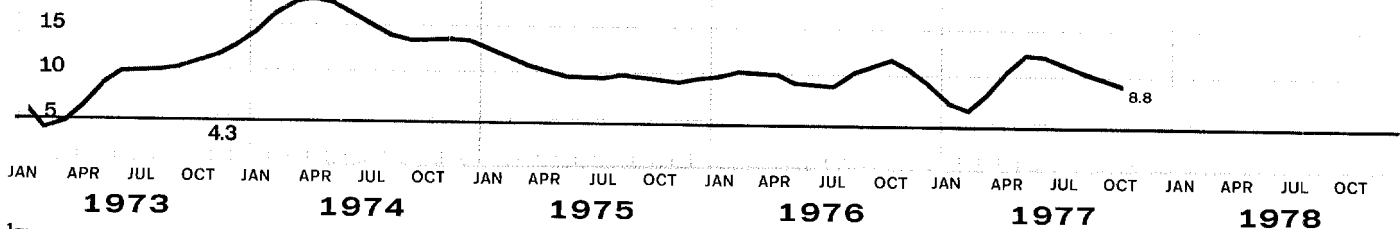
## Japan



## West Germany



## France

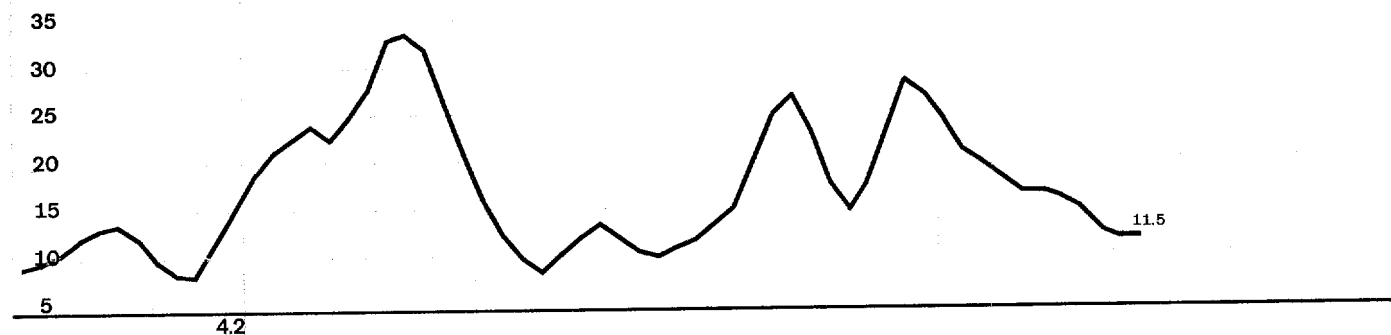


<sup>1</sup>Three-month average compared with previous three months

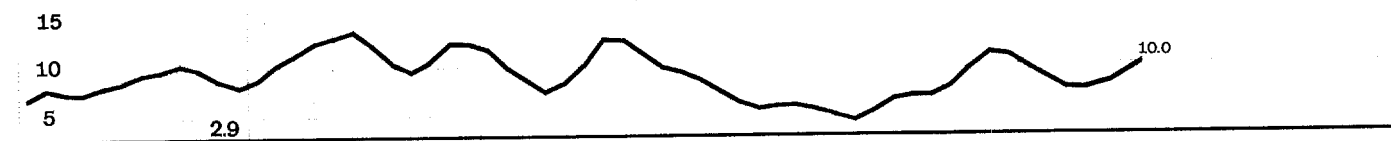
## United Kingdom



## Italy



## Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT  
1973 1974 1975 1976 1977 1978

	LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE				LATEST MONTH	Percent Change from Previous Month	AVERAGE ANNUAL GROWTH RATE SINCE		
			1970	1 Year Earlier	3 Months Earlier <sup>2</sup>				1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
United States	DEC 77	0.5	6.5	6.8	4.4	United Kingdom	DEC 77	0.7	13.6	12.1	7.7
Japan	DEC 77	0	10.1	4.8	2.1	Italy	DEC 77	0.9	13.2	14.9	11.5
West Germany	JAN 78	0.2	5.4	3.3	2.0	Canada	DEC 77	0.9	7.6	9.5	10.0
France	NOV 77	0.5	9.0	9.1	8.8						

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<sup>2</sup>Average for latest 3 months compared with average for previous 3 months, seasonally adjusted at annual rate.

**GNP <sup>1</sup>**

Constant Market Prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
United States	77 IV	1.0	3.3	5.7	4.2
Japan	77 III	0.5	5.4	5.2	1.8
West Germany	77 III	-0.1	2.4	2.1	-0.4
France	77 III	0.2	3.7	2.3	0.9
United Kingdom	77 II	0.7	1.7	0.4	2.9
Italy	77 II	-1.9	2.8	2.8	-7.3
Canada	77 III	1.3	4.6	2.5	5.3

<sup>1</sup> Seasonally adjusted.**RETAIL SALES <sup>1</sup>**

Constant Prices

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
United States	Nov 77	0.9	3.4	6.0	9.7
Japan	Sep 77	-4.2	9.3	4.1	0.7
West Germany	Sep 77	-0.8	2.3	1.7	9.5
France	Sep 77	-4.2	-1.3	-8.1	-2.8
United Kingdom	Dec 77	3.2	1.4	1.1	0.8
Italy	Aug 77	5.7	3.6	0.1	14.2
Canada	Oct 77	2.0	4.3	1.4	11.5

<sup>1</sup> Seasonally adjusted.<sup>2</sup> Average for latest 3 months compared with average for previous 3 months.**FIXED INVESTMENT <sup>1</sup>**

Non-residential; constant prices

	Latest Quarter	Percent Change from Previous Quarter	Average Annual Growth Rate Since		
			1970	1 Year Earlier	Previous Quarter
United States	77 IV	2.0	2.3	9.4	8.4
Japan	77 III	-1.1	0.8	0.8	-4.1
West Germany	77 III	1.7	0.5	8.3	6.8
France	77 III	-0.7	3.4	-0.7	-2.7
United Kingdom	77 II	11.2	1.7	6.7	53.2
Italy	77 II	-7.8	2.5	10.3	-27.6
Canada	77 III	-1.1	5.8	3.2	-4.2

<sup>1</sup> Seasonally adjusted.**WAGES IN MANUFACTURING <sup>1</sup>**

	Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
United States	Nov 77	0.5	7.6	8.1	8.2
Japan	Oct 77	0	16.7	8.3	9.8
West Germany	77 III	1.2	9.3	7.4	5.0
France	77 IV	3.1	14.1	12.0	12.9
United Kingdom	Nov 77	0	14.9	3.4	2.0
Italy	Oct 77	0.1	20.5	23.8	18.8
Canada	Oct 77	0.2	11.3	11.4	8.9

<sup>1</sup> Hourly earnings (seasonally adjusted) for the United States, Japan, and Canada; hourly wage rates for others. West German and French data refer to the beginning of the quarter.<sup>2</sup> Average for latest 3 months compared with that for previous 3 months.**MONEY MARKET RATES**

				Percent Rate of Interest		
Representative rates		Latest Date		1 Year Earlier	3 Months Earlier	1 Month Earlier
United States	Commercial paper	Feb 8	6.76	4.78	6.56	6.85
Japan	Call money	Feb 10	15.52	7.00	4.50	4.75
West Germany	Interbank loans (3 months)	Feb 8	3.46	4.66	4.06	3.54
France	Call money	Feb 10	10.03	9.75	9.13	8.88
United Kingdom	Sterling interbank loans (3 months)	Feb 8	6.61	11.68	4.76	6.14
Canada	Finance paper	Feb 8	7.11	8.00	7.39	7.09
Eurodollars	Three-month deposits	Feb 8	7.20	5.06	7.09	7.26



# EXPORT PRICES

US \$

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year 3 Months	
				Earlier	Earlier
United States	Nov 77	1.1	9.3	2.7	3.8
Japan	Dec 77	3.8	11.3	14.1	49.7
West Germany	Oct 77	3.1	11.4	7.5	1.9
France	Sep 77	-1.4	11.2	8.3	12.1
United Kingdom	Dec 77	2.1	11.7	21.9	33.0
Italy	Aug 77	1.4	11.4	13.2	21.1
Canada	Oct 77	-0.6	8.7	-5.6	-11.4

# EXPORT PRICES

National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year 3 Months	
				Earlier	Earlier
United States	Nov 77	1.1	9.3	2.7	3.8
Japan	Dec 77	2.3	5.4	-6.6	0
West Germany	Oct 77	1.2	4.3	0.7	-1.2
France	Sep 77	-0.9	9.4	8.5	10.1
United Kingdom	Dec 77	0.1	15.6	10.3	3.8
Italy	Aug 77	1.4	16.9	19.2	19.2
Canada	Oct 77	0	9.4	6.5	1.3

# IMPORT PRICES

National Currency

	Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
			1970	1 Year 3 Months	
				Earlier	Earlier
United States	Nov 77	1.1	13.0	8.6	3.3
Japan	Dec 77	-2.6	8.2	-15.5	-33.0
West Germany	Oct 77	-1.3	3.8	0.4	-11.3
France	Sep 77	-1.0	10.1	7.4	0.6
United Kingdom	Dec 77	0.1	18.1	3.0	-6.7
Italy	Aug 77	2.7	20.9	12.4	19.0
Canada	Oct 77	1.0	8.7	15.6	1.8

# OFFICIAL RESERVES

	Latest Month	Billion US \$			
		End of	Billion US \$	1 Year 3 Months	
				Jun 1970	Earlier
United States	Dec 77	Dec 77	19.3	14.5	18.7
Japan	Dec 77	Dec 77	22.8	4.1	16.6
West Germany	Nov 77	Nov 77	36.8	8.8	34.6
France	Oct 77	Oct 77	10.1	4.4	9.6
United Kingdom	Oct 77	Oct 77	20.4	2.8	4.8
Italy	Nov 77	Nov 77	11.7	4.7	6.5
Canada	Nov 77	Nov 77	4.2	4.3	5.1

# CURRENT ACCOUNT BALANCE <sup>1</sup>

	Latest Period	Cumulative (Million US \$)			
		Million US \$	1977	1976	Change
United States <sup>2</sup>	77 III	-4,302	-13,064	-48	-13,016
Japan	Dec 77	2,180	11,112	3,680	7,432
West Germany	Dec 77	1,202	3,585	2,658	927
France	77 III	-786	-2,809	-4,483	1,674
United Kingdom	77 III	916	-691	-1,539	848
Italy	77 II	161	-768	-2,859	2,091
Canada	77 III	-1,146	-4,102	-3,215	-886

<sup>1</sup> Converted to US dollars at the current market rates of exchange.

<sup>2</sup> Seasonally adjusted.

# BASIC BALANCE <sup>1</sup>

Current and Long-Term-Capital Transactions

		Cumulative (Million US \$)			
	Latest				
	Period	Million US \$	1977	1976	Change
United States		No longer published <sup>2</sup>			
Japan	Dec 77	1,920	7,876	2,696	5,180
West Germany	Dec 77	1,982	-1,647	2,472	-4,119
France	77 III	-1,123	-2,908	-6,121	3,214
United Kingdom	77 III	2,238	3,994	-1,585	5,580
Italy	77 II	97	-395	-2,963	2,568
Canada	77 III	345	-447	3,239	-3,686

<sup>1</sup> Converted to US dollars at the current market rates of exchange.

<sup>2</sup> As recommended by the Advisory Committee on the Presentation of Balance of Payments Statistics, the Department of Commerce no longer publishes a basic balance.

# EXCHANGE RATES

Spot Rate

As of 10 Feb 78

	US \$ Per Unit	Percent Change from			
		19 Mar 73	1 Year		3 Feb 78
			Earlier	Earlier	
Japan (yen)	0.0041	8.89	18.01	0.78	0.02
West Germany (Deutsche mark)	0.4745	34.00	14.16	6.36	-0.19
France (franc)	0.2048	-7.07	1.88	-0.64	-1.18
United Kingdom (pound sterling)	1.9350	-21.37	13.01	6.09	-0.31
Italy (lira)	0.0012	-34.58	2.21	1.67	0.52
Canada (dollar)	0.9003	-9.76	-7.83	-0.14	-0.18

# TRADE-WEIGHTED EXCHANGE RATES <sup>1</sup>

As of 10 Feb 78

	Percent Change from			
	19 Mar 73	1 Year		3 Feb 78
		Earlier	Earlier	
United States	2.36	-3.47	-2.00	0.15
Japan	13.35	15.92	-0.50	0.10
West Germany	31.40	7.20	2.36	0.05
France	-13.75	-6.67	-5.56	-1.09
United Kingdom	-25.03	7.92	2.62	-0.09
Italy	-40.86	-5.20	-2.13	0.88
Canada	-9.29	-9.84	-0.91	-0.14

<sup>1</sup> Weighting is based on each listed country's trade with 16 other industrialized countries to reflect the competitive impact of exchange rate variations among the major currencies.

Developed Countries: Direction of Trade <sup>1</sup>

Million US \$

	Exports to (f.a.b.)						Imports from (c.i.f.)					
	World	Big Seven	Other OECD	OPEC	Com-munist	Other	World	Big Seven	Other OECD	OPEC	Com-munist	Other
<b>UNITED STATES</b>												
1975 .....	107.65	46.94	16.25	10.77	3.37	29.82	103.42	49.81	8.83	18.70	0.98	25.08
1976 .....	115.01	51.30	17.68	12.57	3.64	29.44	129.57	60.39	9.75	27.17	1.16	31.09
1st Qtr .....	27.37	12.18	4.11	2.75	1.08	7.24	29.34	13.72	2.40	6.07	0.27	6.88
2d Qtr .....	29.69	13.38	4.51	3.11	1.01	7.51	31.65	15.36	2.41	6.07	0.28	7.54
3d Qtr .....	27.43	11.94	4.09	3.11	0.78	7.42	33.74	15.24	2.40	7.55	0.31	8.24
4th Qtr .....	30.52	13.79	4.97	3.60	0.76	7.26	34.84	16.07	2.55	7.48	0.30	8.44
<b>1977</b>												
1st Qtr .....	29.46	13.75	4.73	3.14	0.86	6.98	37.37	16.07	2.76	8.97	0.30	9.26
2d Qtr .....	31.66	14.39	4.81	3.69	0.71	7.97	40.45	18.14	2.77	9.31	0.35	9.87
3rd Qtr .....	28.75	12.23	4.39	3.58	0.47	7.98	39.50	17.73	2.78	8.92	0.32	9.74
<b>JAPAN</b>												
1975 .....	55.73	16.56	6.07	8.42	5.16	15.87	57.85	16.93	6.08	19.40	3.36	12.05
1976 .....	67.32	22.61	8.59	9.27	4.93	17.84	64.89	17.58	7.78	21.88	2.91	14.72
1st Qtr .....	14.44	4.89	1.83	1.87	1.28	3.76	14.84	4.09	1.70	5.22	0.67	3.16
2d Qtr .....	16.42	5.46	2.09	2.27	1.32	4.39	15.89	4.35	1.95	5.40	0.66	3.54
3d Qtr .....	17.54	5.95	2.27	2.47	1.09	4.52	16.81	4.51	2.14	5.41	0.74	4.01
4th Qtr .....	18.92	6.30	2.40	2.66	1.24	5.17	17.34	4.62	2.00	5.86	0.84	4.01
<b>1977</b>												
1st Qtr .....	17.89	5.89	2.45	2.46	1.36	4.70	17.44	4.72	1.84	6.24	0.79	3.84
2d Qtr .....	19.73	6.73	2.41	2.91	1.19	5.45	17.88	4.88	2.10	5.74	0.86	4.29
3d Qtr .....	20.63	7.40	2.47	3.05	1.33	5.62	17.63	4.68	1.84	5.88	0.84	4.38
<b>WEST GERMANY</b>												
1975 .....	91.70	28.33	36.44	6.78	8.81	11.05	76.28	27.09	27.78	8.24	4.87	8.21
1976 .....	103.63	33.44	41.86	8.25	8.72	11.04	89.68	31.28	32.64	9.73	5.93	10.01
1st Qtr .....	23.79	7.92	9.54	1.71	2.09	2.47	20.49	7.13	7.59	2.19	1.33	2.23
2d Qtr .....	24.96	8.21	10.12	1.84	2.08	2.64	21.94	7.70	8.13	2.22	1.43	2.42
3d Qtr .....	25.53	8.00	10.28	2.24	2.13	2.78	22.14	7.56	7.89	2.57	1.49	2.58
4th Qtr .....	29.35	9.31	11.92	2.46	2.42	3.15	25.12	8.88	9.03	2.73	1.67	2.78
<b>1977</b>												
1st Qtr .....	28.19	9.28	11.62	2.31	2.11	2.78	24.45	8.46	8.85	2.58	1.42	3.11
2d Qtr .....	29.20	9.59	11.79	2.69	2.07	2.98	25.21	9.09	9.04	2.43	1.54	3.08
3d Qtr .....	28.75	9.20	11.45	2.71	2.26	3.04	25.27	8.99	8.97	2.54	1.65	3.09
<b>FRANCE</b>												
1975 .....	52.87	20.00	15.50	4.90	3.13	8.61	53.99	23.04	14.33	9.43	1.94	5.21
1976 .....	57.05	22.49	16.15	5.08	3.23	8.75	64.38	27.81	16.93	11.36	2.24	6.01
1st Qtr .....	13.97	5.52	3.93	1.24	0.84	2.08	15.52	6.57	4.16	2.82	0.56	1.42
2d Qtr .....	15.02	5.91	4.41	1.22	0.98	2.23	16.19	7.15	4.33	2.61	0.55	1.53
3d Qtr .....	12.81	4.97	3.49	1.29	0.67	2.09	14.97	6.49	3.77	2.75	0.55	1.41
4th Qtr .....	15.26	6.08	4.33	1.33	0.75	2.35	17.70	7.60	4.68	3.19	0.58	1.65
<b>1977</b>												
1st Qtr .....	15.68	6.25	4.55	1.39	0.75	2.36	17.89	7.50	4.84	3.06	0.52	1.96
2d Qtr .....	16.69	6.60	4.79	1.57	0.83	2.47	17.96	7.84	4.71	2.65	0.61	2.13
3d Qtr .....	14.75	6.02	4.08	1.32	0.67	2.39	16.14	6.99	3.85	2.87	0.62	1.78
<b>UNITED KINGDOM</b>												
1975 .....	44.03	12.55	16.59	4.55	1.56	8.64	53.35	18.47	18.52	6.91	1.68	7.67
1976 .....	46.12	14.03	17.53	5.13	1.39	7.92	55.56	19.66	18.81	7.29	2.08	7.65
1st Qtr .....	11.60	3.41	4.37	1.24	0.38	2.17	13.50	4.69	4.64	1.82	0.49	1.83
2d Qtr .....	11.46	3.53	4.32	1.26	0.37	1.95	13.96	5.04	4.57	1.74	0.56	2.03
3d Qtr .....	11.03	3.43	4.11	1.26	0.32	1.87	13.69	4.75	4.54	1.89	0.51	1.98
4th Qtr .....	12.03	3.64	4.74	1.38	0.31	1.93	14.41	5.17	5.06	1.84	0.51	1.81
<b>1977</b>												
1st Qtr .....	13.13	4.01	5.16	1.52	0.35	2.04	15.45	5.80	5.12	1.78	0.49	2.22
2d Qtr .....	14.35	4.20	5.72	1.69	0.44	2.26	16.52	6.02	5.73	1.70	0.58	2.44
3d Qtr .....	14.59	4.47	5.55	1.75	0.46	2.32	15.20	6.05	4.74	1.44	0.66	2.29

Developed Countries: Direction of Trade<sup>1</sup>  
(Continued)

Million US \$

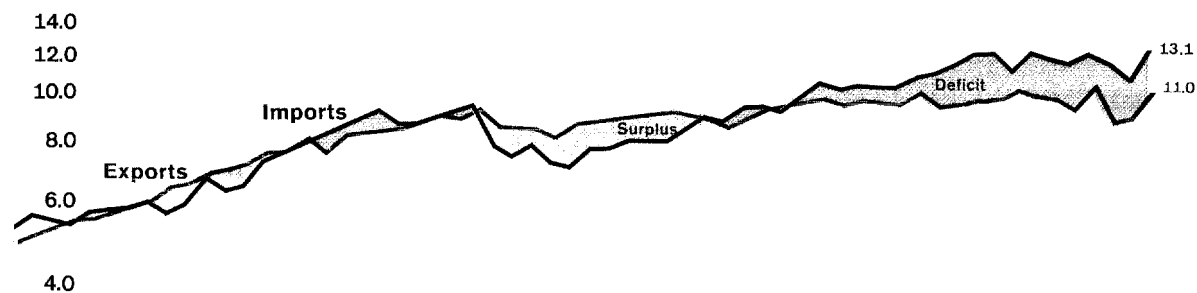
	Exports to (f.o.b.)						Imports from (c.i.f.)					
	World	Big Seven	Other OECD	OPEC	Com-munist	Other	World	Big Seven	Other OECD	OPEC	Com-munist	Other
ITALY												
1975 .....	34.82	15.61	7.86	3.72	2.46	4.67	38.36	17.32	6.75	7.85	2.09	4.34
1976 .....	36.96	17.41	8.69	4.23	2.18	3.96	43.42	19.35	8.04	8.12	2.65	5.24
1st Qtr .....	8.01	3.80	1.86	0.83	0.53	0.87	9.77	4.37	1.83	1.82	0.54	1.21
2d Qtr .....	8.85	4.22	2.09	0.97	0.52	0.95	10.83	4.85	1.94	2.10	0.63	1.31
3d Qtr .....	9.45	4.51	2.22	1.07	0.53	0.99	10.33	4.51	1.85	2.03	0.67	1.26
4th Qtr .....	10.65	4.88	2.53	1.36	0.59	1.14	12.49	5.62	2.42	2.17	0.81	1.46
1977												
1st Qtr .....	9.80	4.56	2.30	1.26	0.53	1.03	11.37	5.00	2.14	2.18	0.60	1.45
2d Qtr .....	11.47	5.33	2.61	1.51	0.60	1.28	12.49	5.51	2.24	2.50	0.64	1.59
3d Qtr .....	10.93	5.01	2.51	1.41	0.63	1.22	10.55	4.39	1.80	2.10	0.73	1.53
CANADA												
1975 .....	33.84	26.30	1.73	0.71	1.20	2.00	38.59	29.78	1.70	3.43	0.32	2.02
1976 .....	40.18	32.01	2.03	0.81	1.25	2.09	43.05	33.55	1.82	3.48	0.38	2.56
1st Qtr .....	9.18	7.39	0.43	0.47	0.33	0.42	10.40	8.05	0.42	0.95	0.09	0.59
2d Qtr .....	10.75	8.61	0.50	0.18	0.34	0.56	11.61	9.02	0.45	1.02	0.10	0.70
3d Qtr .....	9.94	7.74	0.56	0.20	0.35	0.53	10.12	7.75	0.47	0.80	0.10	0.69
4th Qtr .....	10.31	8.27	0.55	0.26	0.23	0.58	10.91	8.73	0.48	0.71	0.09	0.58
1977												
1st Qtr .....	10.35	8.37	0.53	0.23	0.22	0.47	10.92	8.64	0.43	0.82	0.09	0.62
2d Qtr .....	11.34	9.23	0.54	0.24	0.29	0.57	12.28	9.92	0.47	0.74	0.10	0.67
3d Qtr .....	10.21	8.12	0.54	0.23	0.29	0.62	10.37	8.17	0.43	0.82	0.07	0.65

25X1X

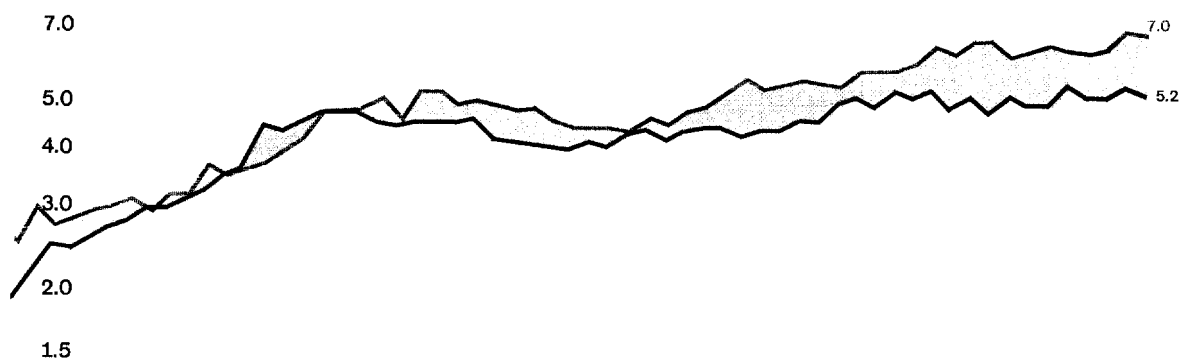
# FOREIGN TRADE BILLION US \$, f.o.b., seasonally adjusted

## United States

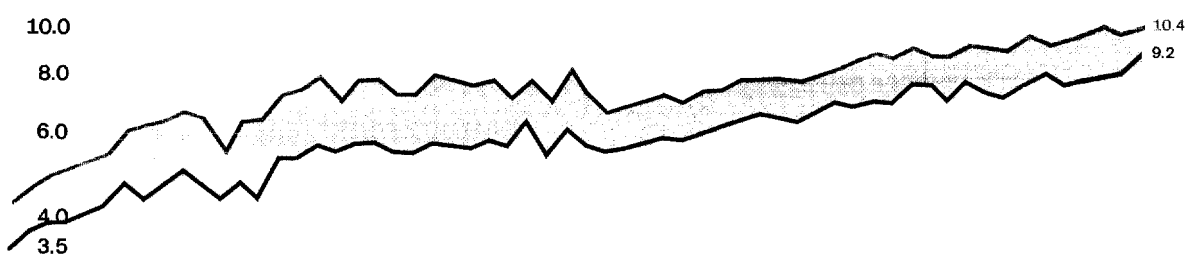
Semilogarithmic Scale



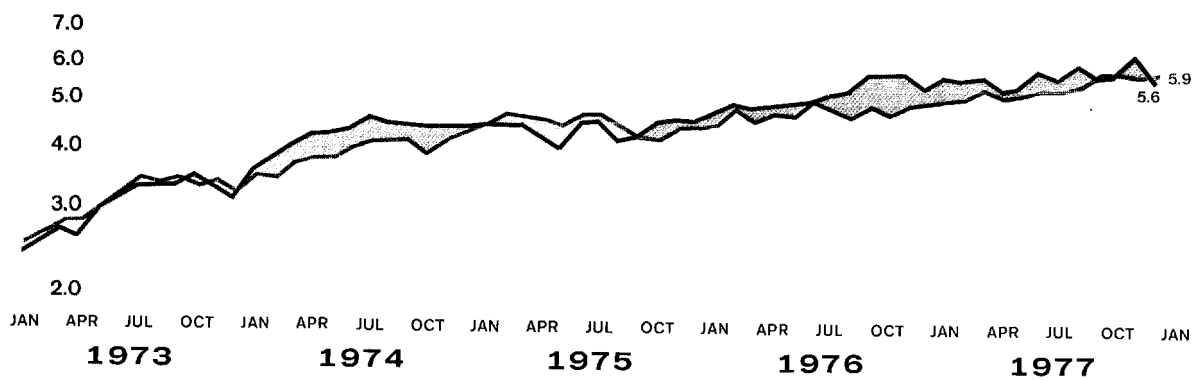
## Japan



## West Germany

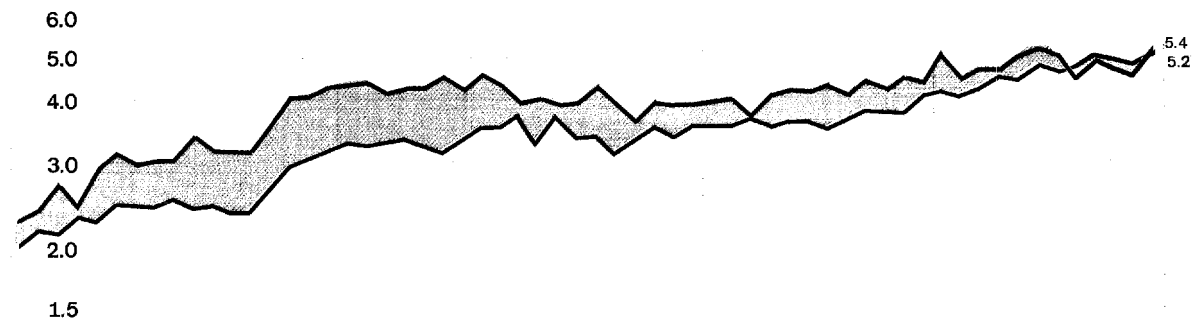


## France

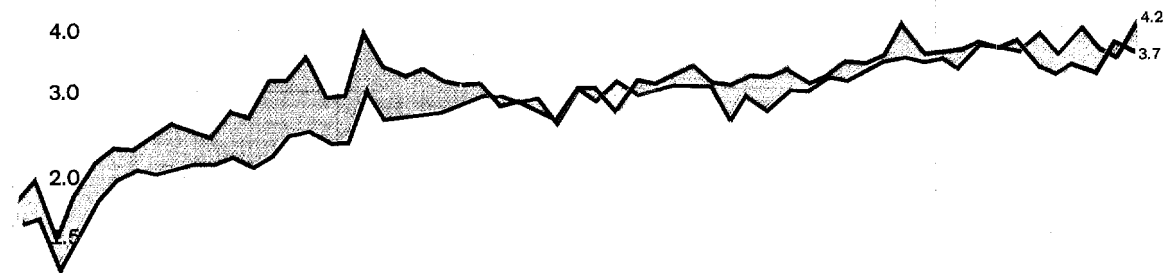


# United Kingdom

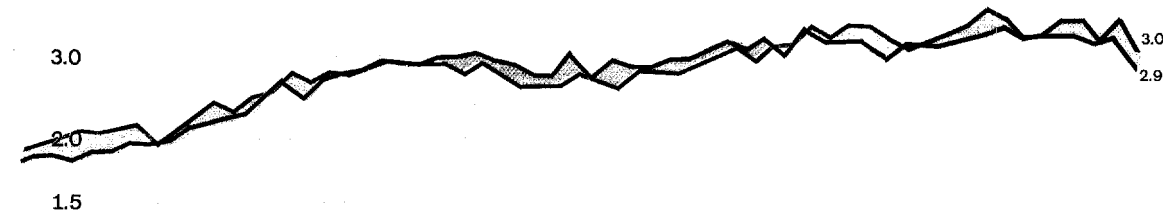
Semilogarithmic Scale



# Italy



# Canada



JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT  
**1973 1974 1975 1976 1977 1978**

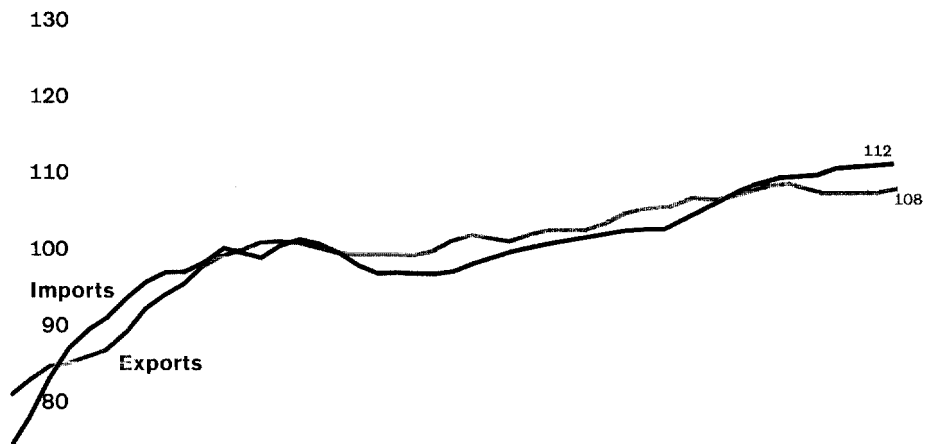
	LATEST MONTH	MILLION US \$	CUMULATIVE (MILLION US \$)				LATEST MONTH	MILLION US \$	CUMULATIVE (MILLION US \$)		
			1977	1976	CHANGE				1977	1976	CHANGE
United States	DEC 77	11,030	120,107	114,860	4.6%	United Kingdom	DEC 77	5,226	56,304	46,003	22.4%
	Balance	13,059	146,615	120,495	21.7%		Balance	5,375	59,204	52,466	12.8%
Japan	DEC 77	7,042	79,212	65,751	20.5%	Italy	NOV 77	4,183	40,523	33,427	21.2%
	Balance	5,247	61,752	56,004	10.3%		Balance	3,728	40,042	36,777	8.9%
West Germany	DEC 77	10,379	117,787	101,923	15.6%	Canada	NOV 77	455	482	-3,349	3,831
	Balance	9,194	96,533	83,574	15.5%		Balance	3,008	37,820	35,202	7.4%
France	DEC 77	1,185	21,254	18,349	2,905		Balance	2,906	36,120	34,726	4.0%
	Balance	5,903	65,087	56,967	14.3%			103	1,700	475	1,225
	Balance	5,557	67,389	61,068	10.4%						
	Balance	346	-2,302	-4,101	1,799						

575202 2-78

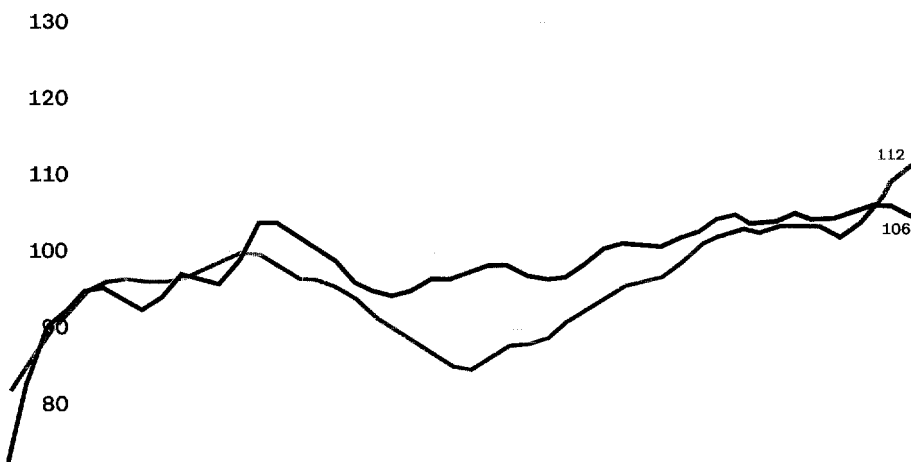
# FOREIGN TRADE PRICES IN US \$<sup>1</sup>

United States

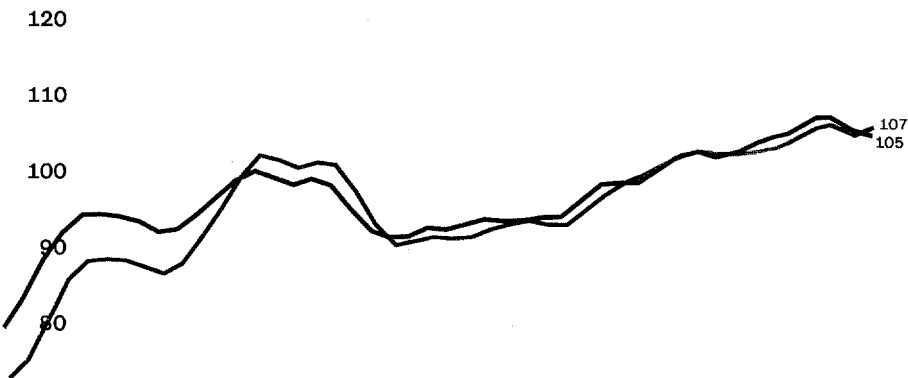
INDEX: JAN 1975 = 100



Japan



West Germany

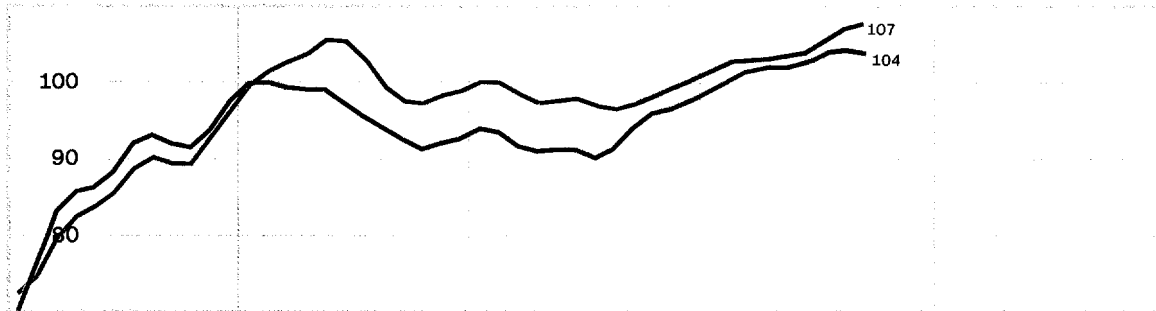


JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT

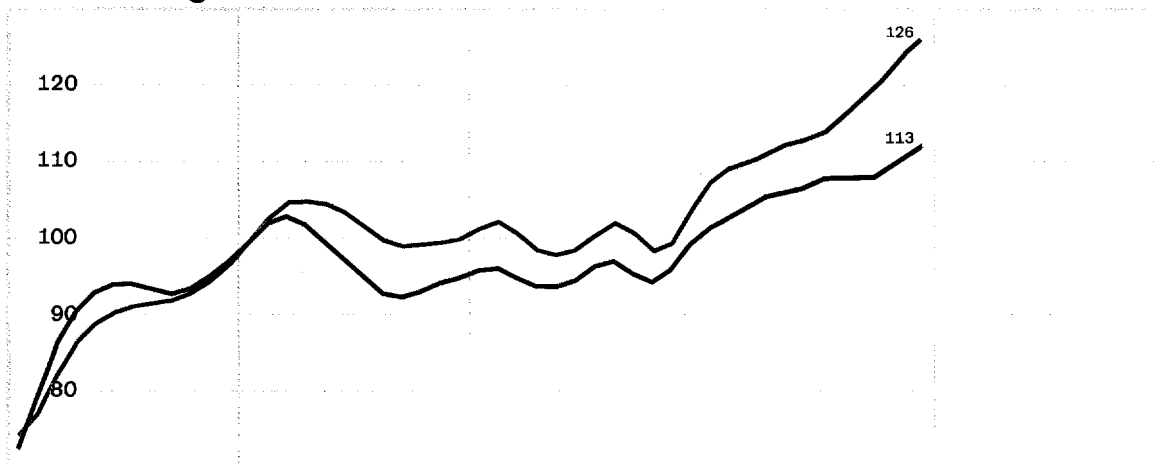
1975 1976 1977 1978

<sup>1</sup>Export and import plots are based on five-month weighted moving averages.

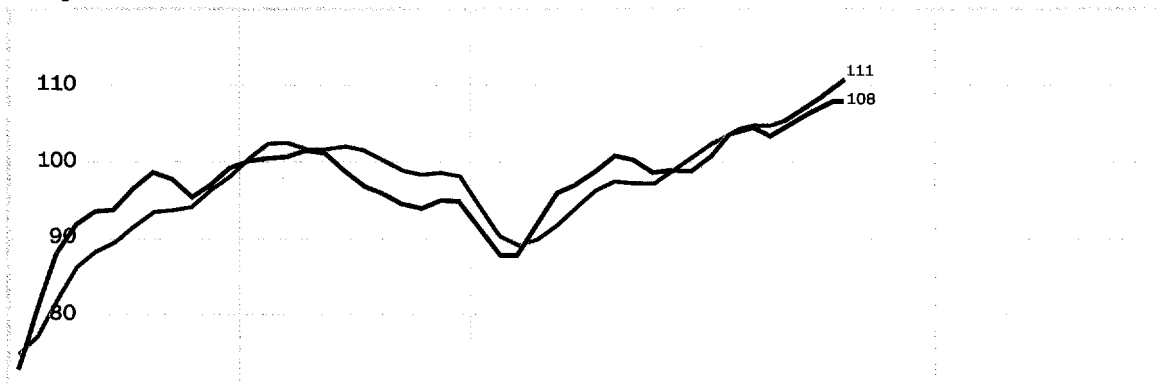
### France



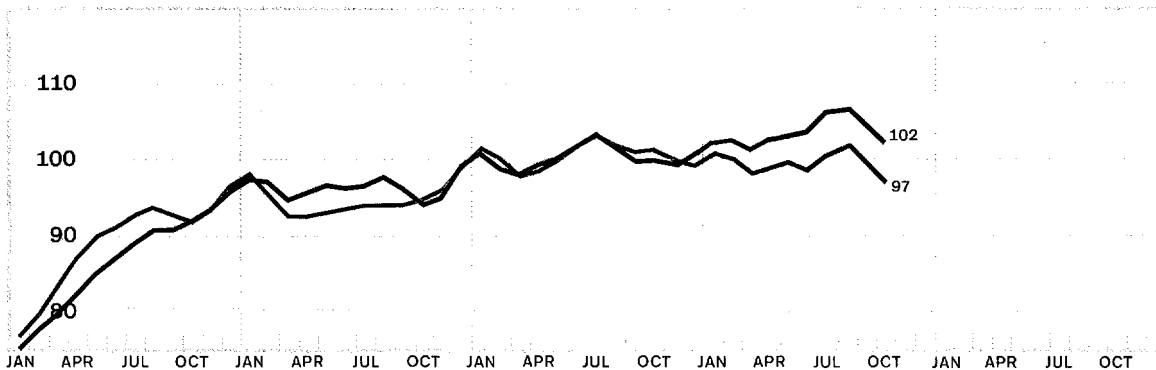
### United Kingdom



### Italy



### Canada



1974

1975

1976

1977

1978

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**SELECTED DEVELOPING COUNTRIES**

**INDUSTRIAL PRODUCTION <sup>1</sup>**

Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
		Percent Change		
		1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
India	Aug 77	4.0	4.9	8.2 -7.3
South Korea	Nov 77	0.3	21.9	13.9 9.2
Mexico	Sep 77	0.2	6.0	5.3 11.2
Nigeria	76 IV	0.2	11.3	9.0 0.7
Taiwan	Oct 77	0.5	14.9	13.5 23.1

<sup>1</sup> Seasonally adjusted.

<sup>2</sup> Average for latest 3 months compared with average for previous 3 months.

**MONEY SUPPLY <sup>1</sup>**

Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
		Percent Change		
		1970	1 Year Earlier	3 Months Earlier <sup>2</sup>
Brazil	Aug 77	0	36.7	46.2 59.1
India	Aug 77	2.9	13.4	15.6 7.8
Iran	Sep 77	3.3	28.5	21.2 -1.4
South Korea	Oct 77	5.9	32.5	47.9 43.1
Mexico	Oct 77	4.9	19.5	26.6 21.9
Nigeria	Apr 77	-2.3	36.9	47.5 99.7
Taiwan	Oct 77	3.2	24.8	29.1 30.6
Thailand	Jun 77	-0.9	13.2	13.0 14.9

<sup>1</sup> Seasonally adjusted.

<sup>2</sup> Average for latest 3 months compared with average for previous 3 months.

**CONSUMER PRICES**

Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
		Percent Change		
		1970	1 Year Earlier	
Brazil	Dec 77	2.3	27.4	43.1
India	Oct 77	-0.3	8.3	8.6
Iran	Nov 77	0.7	12.2	23.9
South Korea	Nov 77	0.4	14.2	10.6
Mexico	Nov 77	1.1	14.9	22.0
Nigeria	Jun 77	4.0	16.2	23.7
Taiwan	Oct 77	-1.1	10.6	9.9
Thailand	Oct 77	0.5	8.7	9.0

**WHOLESALE PRICES**

Latest Month	Percent Change from Previous Month	Average Annual Growth Rate Since		
		Percent Change		
		1970	1 Year Earlier	
Brazil	Oct 77	2.3	27.2	34.4
India	Nov 77	-0.7	8.7	4.0
Iran	Nov 77	1.9	10.3	12.3
South Korea	Nov 77	0.4	16.0	8.8
Mexico	Nov 77	0	16.1	23.1
Taiwan	Oct 77	-0.2	8.7	3.8
Thailand	Oct 77	-1.2	9.7	5.5

**EXPORT PRICES**

US \$

Latest Period	Percent Change from Previous Period	Average Annual Growth Rate Since		
		Percent Change		
		1970	1 Year Earlier	
Brazil	Sep 77	-8.2	13.3	4.7
India	Mar 77	-0.9	9.6	17.9
Iran	Oct 77	0	34.1	10.3
South Korea	77 III	0.9	8.6	6.5
Nigeria	May 76	-0.1	27.3	12.3
Taiwan	Sep 77	2.6	12.1	8.2
Thailand	Dec 76	2.0	13.3	13.1

**OFFICIAL RESERVES**

Latest Month	End of	Million US \$	Million US \$		
			Annual Growth Rate Since		
			1970	1 Year Earlier	3 Months Earlier
Brazil	Aug 77	6,195	1,013	4,405	5,806
India	Oct 77	4,886	1,006	2,788	4,395
Iran	Nov 77	11,511	208	9,124	11,561
South Korea	Oct 77	4,246	602	2,586	3,656
Mexico	Mar 76	1,501	695	1,479	1,533
Nigeria	Oct 77	4,551	148	5,635	4,495
Taiwan	Nov 77	1,469	531	1,676	1,416
Thailand	Nov 77	1,864	978	1,893	1,992

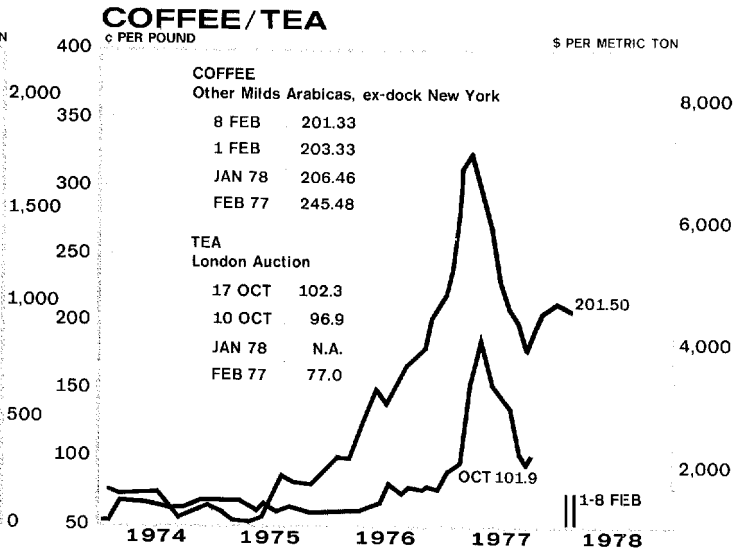
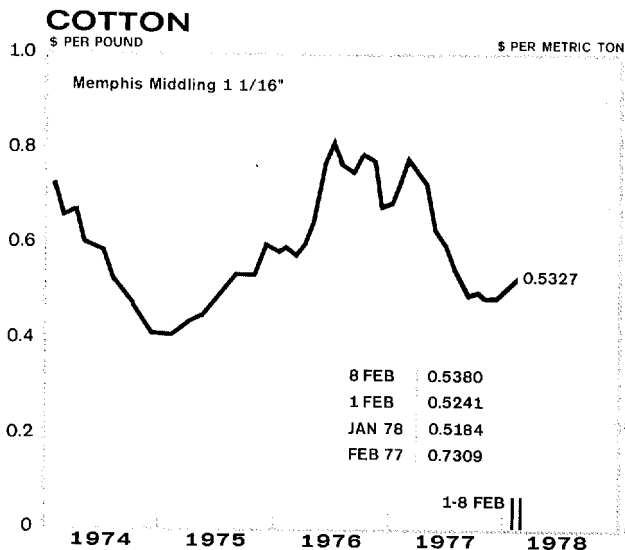
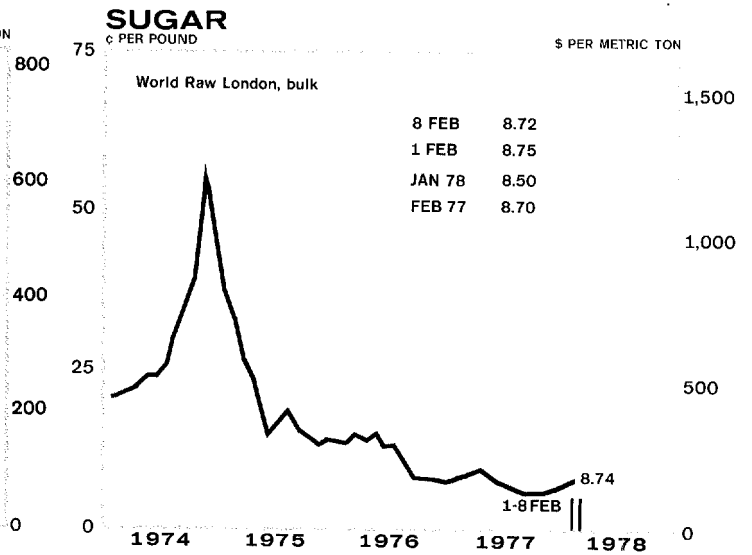
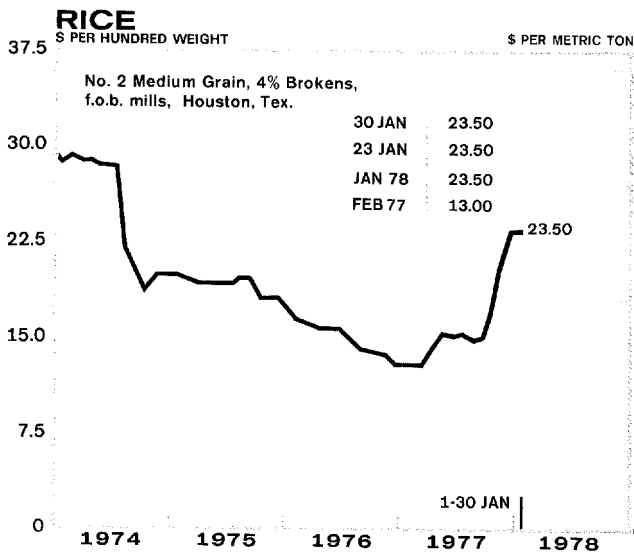
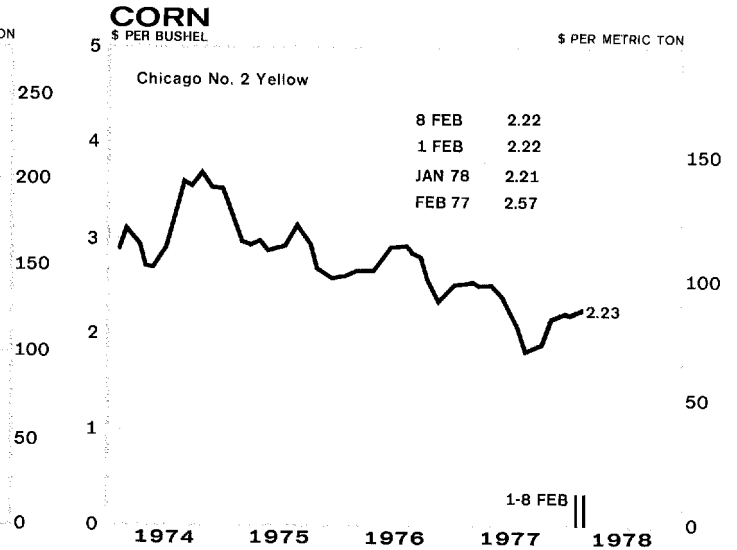
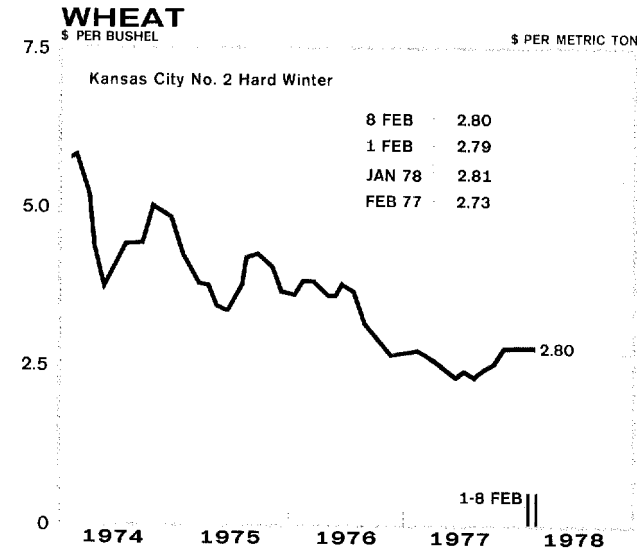


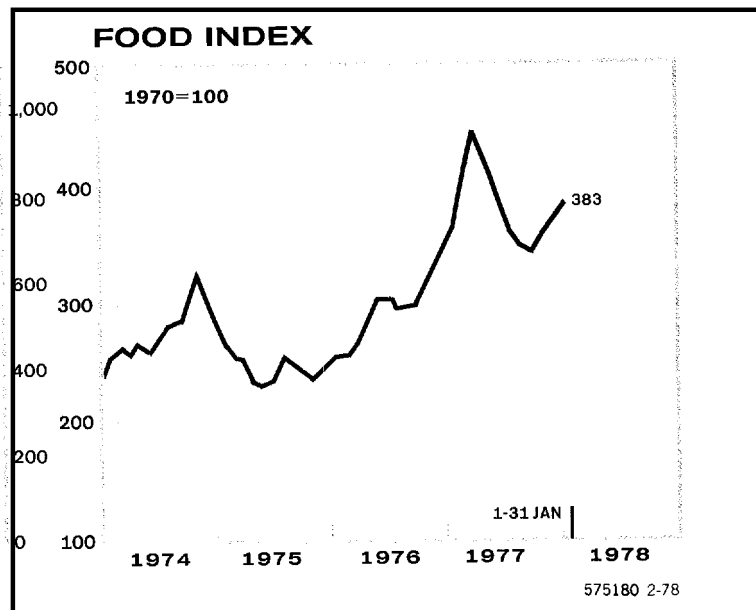
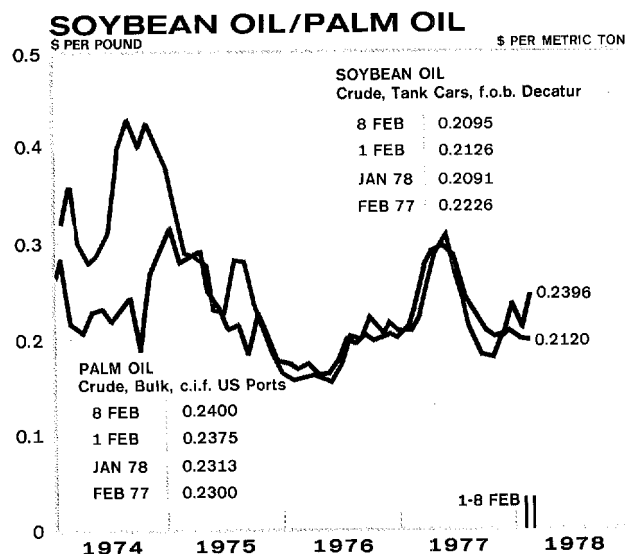
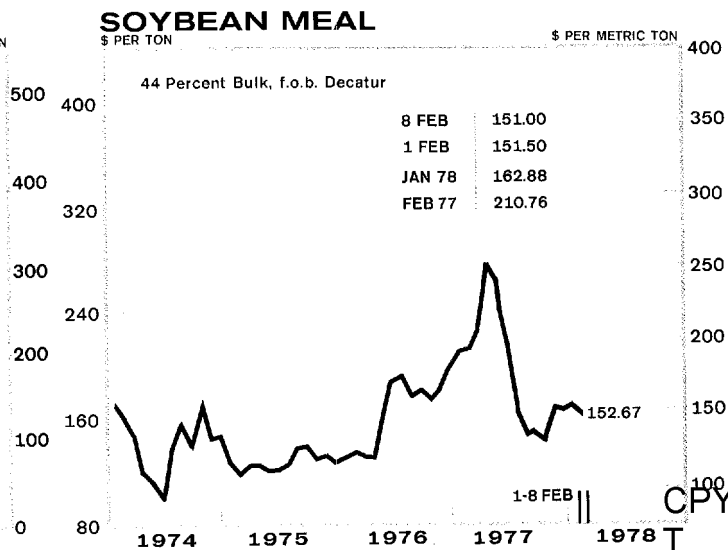
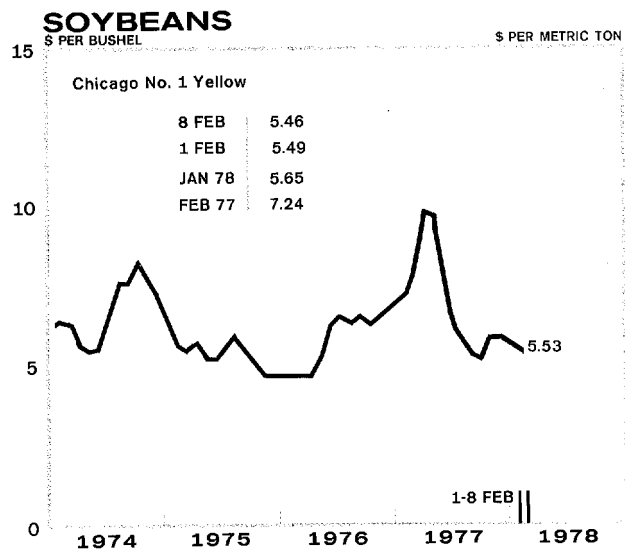
## FOREIGN TRADE, f.o.b.

			Latest 3 Months Percent Change from		Cumulative (Million US \$)		
			3 Months Earlier <sup>1</sup>	1 Year Earlier	1977	1976	Change
	Latest Period						
Brazil	Nov 77	Exports	-51.6	-0.2	11,083	9,043	22.6%
	Nov 77	Imports	-6.5	-5.1	11,012	11,305	-2.6%
	Nov 77	Balance			71	-2,262	2,333
India	Aug 77	Exports	-64.0	5.0	3,949	3,355	17.7%
	Aug 77	Imports	28.4	7.3	3,258	2,946	10.6%
	Aug 77	Balance			691	410	281
Iran	Oct 77	Exports	57.9	2.6	19,764	18,820	5.0%
	Sep 77	Imports	2.8	20.3	9,479	8,770	8.1%
	Sep 77	Balance			8,209	7,971	238
South Korea	Oct 77	Exports	-6.2	20.2	7,831	6,217	26.0%
	Oct 77	Imports	-9.9	22.0	7,897	6,461	22.2%
	Oct 77	Balance			-66	-244	178
Mexico	Oct 77	Exports	-29.0	34.3	3,367	2,573	30.9%
	Oct 77	Imports	70.1	8.3	4,189	4,838	-13.4%
	Oct 77	Balance			-822	-2,266	1,443
Nigeria	Sep 77	Exports	-18.9	14.6	3,638	2,940	23.7%
	Dec 76	Imports	86.7	8.4	2,531	1,990	27.2%
	Dec 76	Balance			1,502	1,102	399
Taiwan	Oct 77	Exports	-18.9	12.8	7,440	6,572	13.2%
	Oct 77	Imports	-31.0	9.8	6,353	5,667	12.1%
	Oct 77	Balance			1,087	904	183
Thailand	Aug 77	Exports	-17.5	26.8	2,395	1,911	25.3%
	Sep 77	Imports	32.3	36.6	3,077	2,384	29.1%
	Aug 77	Balance			-322	-190	-132

<sup>1</sup> At annual rates.

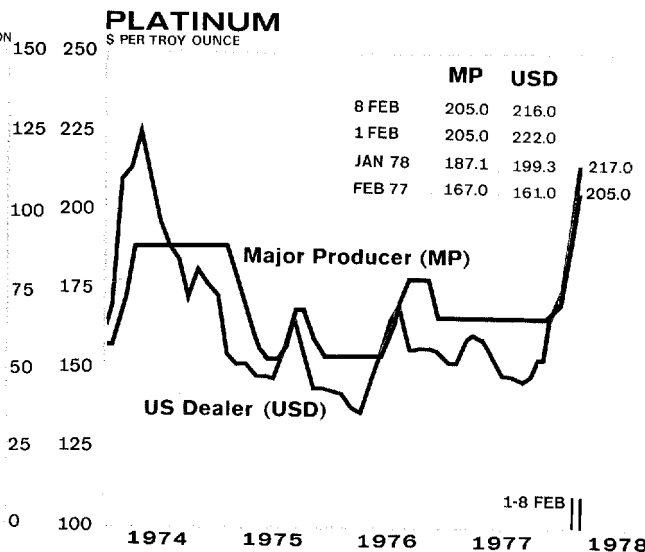
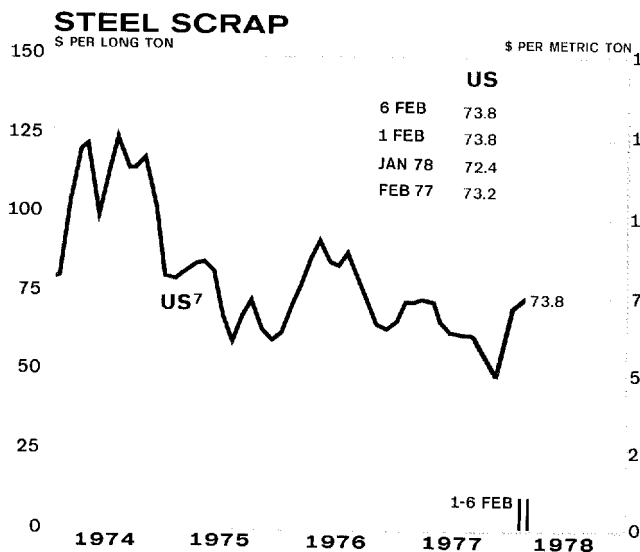
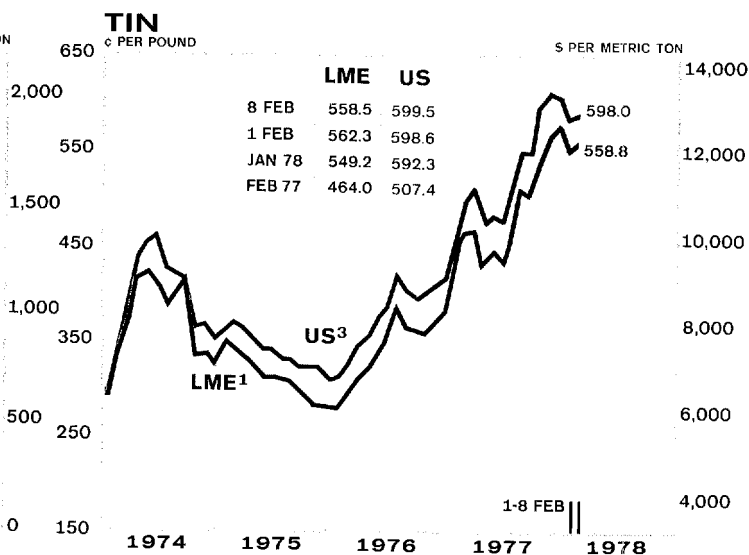
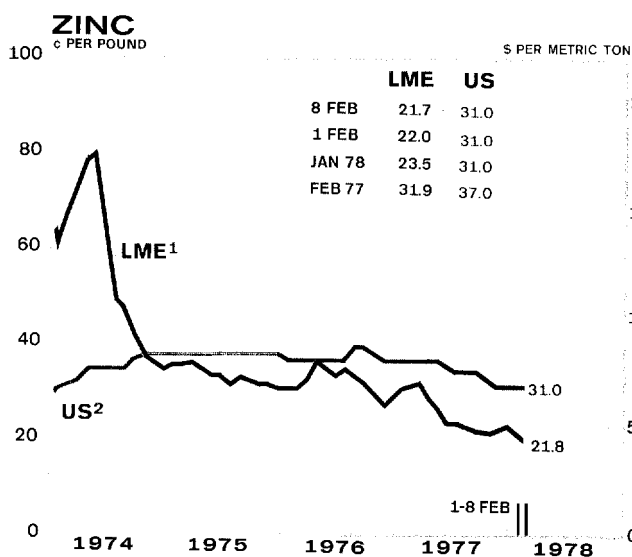
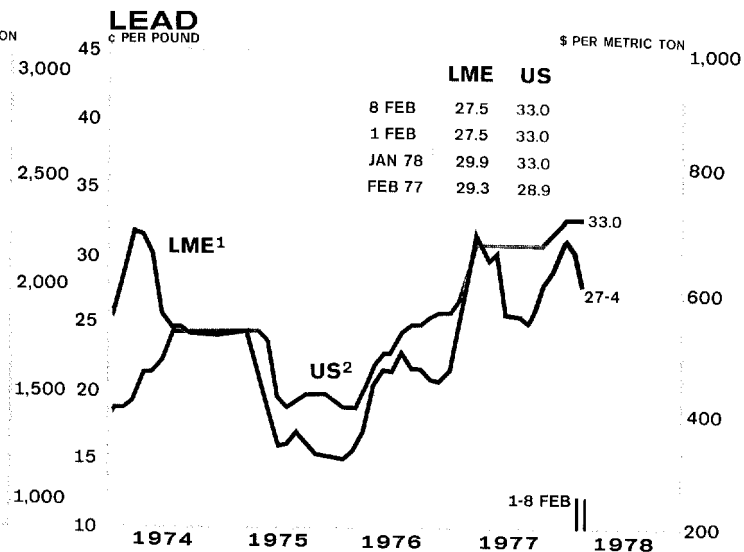
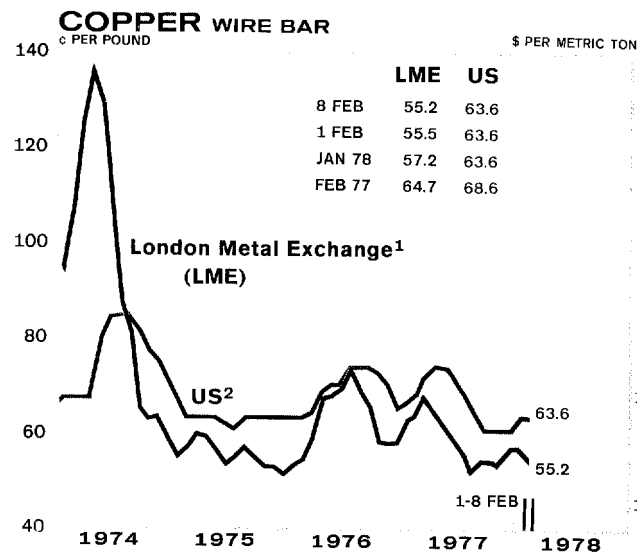
# **AGRICULTURAL PRICES MONTHLY AVERAGE CASH PRICE**





NOTE: The food index is compiled by the Economist for 16 food commodities which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

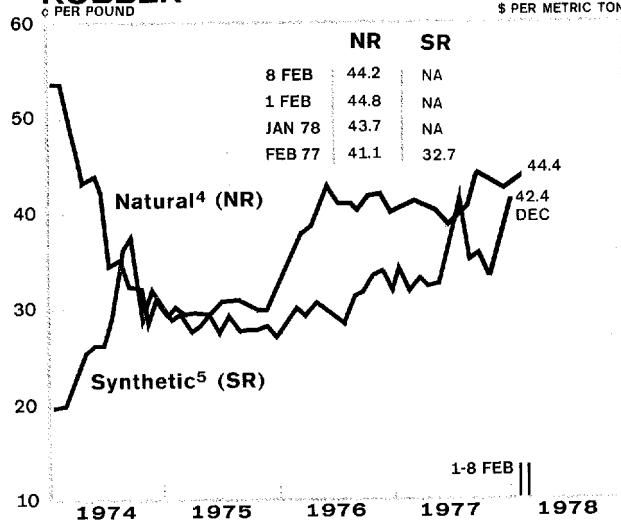
# INDUSTRIAL MATERIALS PRICES MONTHLY AVERAGE CASH PRICE



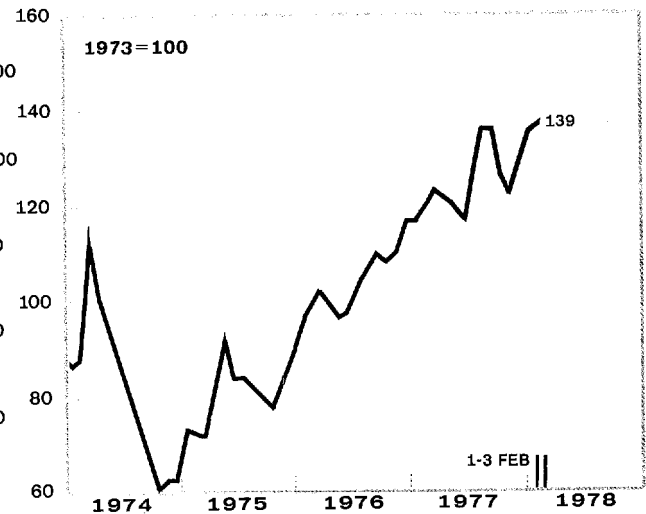
## SELECTED MATERIALS

			CURRENT	AUG 77	FEB 77	FEB 76
ALUMINUM	Major US Producer	¢ per pound	53.00	53.00	48.00	41.00
US STEEL	Composite	\$ per long ton	359.36	357.08	339.27	306.72
IRON ORE	Non-Bessemer Old Range	\$ per long ton	21.43	21.43	20.97	19.12
CHROME ORE	Russian, Metallurgical Grade	\$ per metric ton	150.00	150.00	150.00	150.00
CHROME ORE	S. Africa, Chemical Grade	\$ per long ton	56.90	58.50	42.00	39.00
FERROCHROME	US Producer, 66-70 Percent	¢ per pound	41.00	42.39	43.00	45.00
NICKEL	Composite US Producer	\$ per pound	2.07	2.41	2.41	2.20
MANGANESE ORE	48 Percent Mn	\$ per long ton	72.24	72.00	72.00	67.20
TUNGSTEN ORE	Contained Metal	\$ per metric ton	19,924.00	21,111.00	21,419.00	11,509.00
MERCURY	New York	\$ per 76 pound flask	164.00	116.30	167.55	127.21
SILVER	LME Cash	¢ per troy ounce	494.94	447.09	453.72	408.78
GOLD	London Afternoon Fixing Price	\$ per troy ounce	175.49	144.95	136.31	131.07

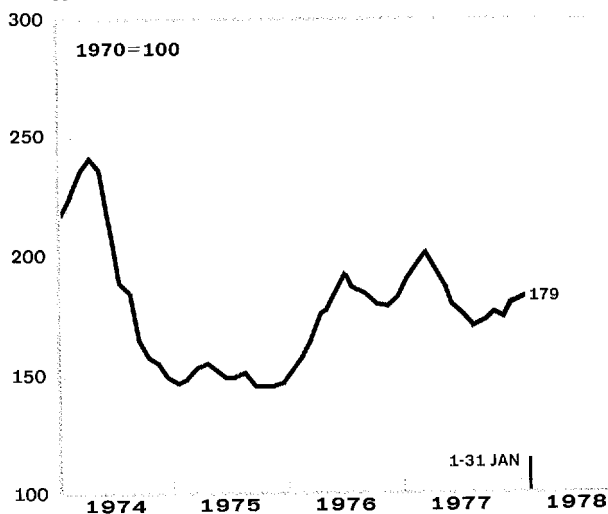
### RUBBER



### LUMBER INDEX<sup>6</sup>



### INDUSTRIAL MATERIALS INDEX



<sup>1</sup>Approximates world market price frequently used by major world producers and traders, although only small quantities of these metals are actually traded on the LME.

<sup>2</sup>Producers' price, covers most primary metals sold in the U.S.

<sup>3</sup>As of 1 Dec 75, US tin price quoted is "Tin NY 1b composite."

<sup>4</sup>Quoted on New York market.

<sup>5</sup>S-type styrene, US export price.

<sup>6</sup>This index is compiled by using the average of 13 types of lumber whose prices are regarded as bellwethers of US lumber construction costs.

<sup>7</sup>Composite price for Chicago, Philadelphia, and Pittsburgh.

NOTE: The industrial materials index is compiled by the *Economist* for 19 raw materials which enter international trade. Commodities are weighted by 3-year moving averages of imports into industrialized countries.

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**Next 15 Page(s) In Document Exempt**

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